

KVD Data Review - A Work in Progress

## A Word On Estimated Uranium Ore Radiometric Grades



EPA, Region 6  
Dallas, Texas

José Eduardo Torres  
Petroleum Engineer  
Chemical Engineer

## A WORD (OR TWO) ON ESTIMATED URANIUM RADIOMETRIC ORE GRADES IN THE GARCIA HILL AREA, KLEBERG COUNTY, TX:

In the past, Kleberg County citizens have inquired with EPA about the amount of uranium ore in the Goliad Aquifer in the Garcia Hill area, following the high uranium concentrations observed in the Garcia Hill community's ground water supply (see Figure 1).

More specifically, in recent days, Ms. Elizabeth Cumberland asked whether EPA had been able to establish how the ore grade in the area compares to the cut-off grade value of 0.13% U<sub>3</sub>O<sub>8</sub> that operator Strathmore established for its Roca Honda mining site (see Table I). Ms. Cumberland provided the Agency with numerous area well logs in the wake of a complaint filed by Mr. Teo Saenz, which prompted the GW/UIC Section to take a close look at the GR readings in those logs.

This work is an effort by the Section to satisfy the citizens' inquiries and, in particular, Ms. Cumberland's question on uranium ore grade, all part of the efforts towards addressing Mr. Saenz's complaint. The map in Figure 2 highlights the wells (see arrows) that were selected for analysis based primarily on their location relative to the Garcia Hill community, and to the impacted W-24 and W-25 wells.

Table II lists the highest ore grade values, as %U<sub>3</sub>O<sub>8</sub>, that were estimated for given points in the formation in the selected 11 area wells, while Figure 3 compares those "point ore grade values" to the "cut-off values" selected by operators Strathmore and URI: 0.13% and 0.11%, respectively. The available Uranium concentrations for the area's Goliad water shown in Table II, and in Figures 4 and 5, are generally near or below the EPA standard of 30 µg/L for dissolved Uranium. These baseline Uranium concentrations show that the water in an aquifer with naturally occurring very low grade Uranium ore can be suitable for human consumption, as long as it remains undisturbed.

The Uranium concentration shown in Table III for the City of Kingsville PWS EP004 well compares reasonably well with the above concentrations, suggesting that ore grades in the city may generally be in the range of those illustrated in Table II. Figure 6 compares the stratigraphic columns for Garcia Hill wells and one City of Kingsville PWS well, and is submitted as validation for the above water quality comparison for the two areas.


Details on how the Table II illustrated Uranium ore grade values were estimated are provided below.

Re: URI's KVD's PA3 New Wellfields - Lotus Notes

File Edit View Create Actions Window Help

Workspace Jose Torres - Inbox Re: A Question Re: URI's KVD's PA3 New Wellfi...

New Reply Reply to All Forward More Records

 **Re: URI's KVD's PA3 New Wellfields**  
**Muhammadali Abbaszadeh** to: Jose Torres  
Cc: Philip Dellinger, Ray Leissner, "Frank Espino" 03/12/2009 08:54 AM  
[Show Details](#)

Mr. Torres,

Below is the production start and end dates for the well fields at Kingsville Dome site.

WF 9-----6/98-6/99  
WF 10-----8/98-6/99  
WF 11-----4/29/2006-9/11/2007  
WF 12-----8/7/2006-9/11/2007  
WF 13-----1/30/2007-12/7/2007  
WF 14-----7/18/2007-6/18/2008  
WF 15A-----1/18/2008-10/12/2008  
WF 15B-----not producing yet  
**WF 16A-----12/22/2007-still producing**  
**WF 16B-----7/9/2008-still producing**  
**WF 17A-----4/22/2008-still producing**  
**WF 17B-----10/8/2008-still producing**

>>> <Torres.Jose@epamail.epa.gov> 3/10/2009 2:08 PM >>>  
Mr. Muhammadali:

Thank you very much for the clarification. The fact that only

You have new mail on R6MAIL/R6/USEPA/US

start 1-2-3 - [R:\yr09\U... Microsoft Photo Edi... R:\yr09\URCase 090309EnvChemist... 10:35 AM

**Schedule of activities at Production Area No. 3 (PA-3) at the Kingsville Dome (KVD) U mine as of 03/12/2009.**

# Historic Uranium Concentrations in Garcia Hill's Well Water

(The shown Uranium Concentration Data were provided by Operator in a Graph on 8/6/13)

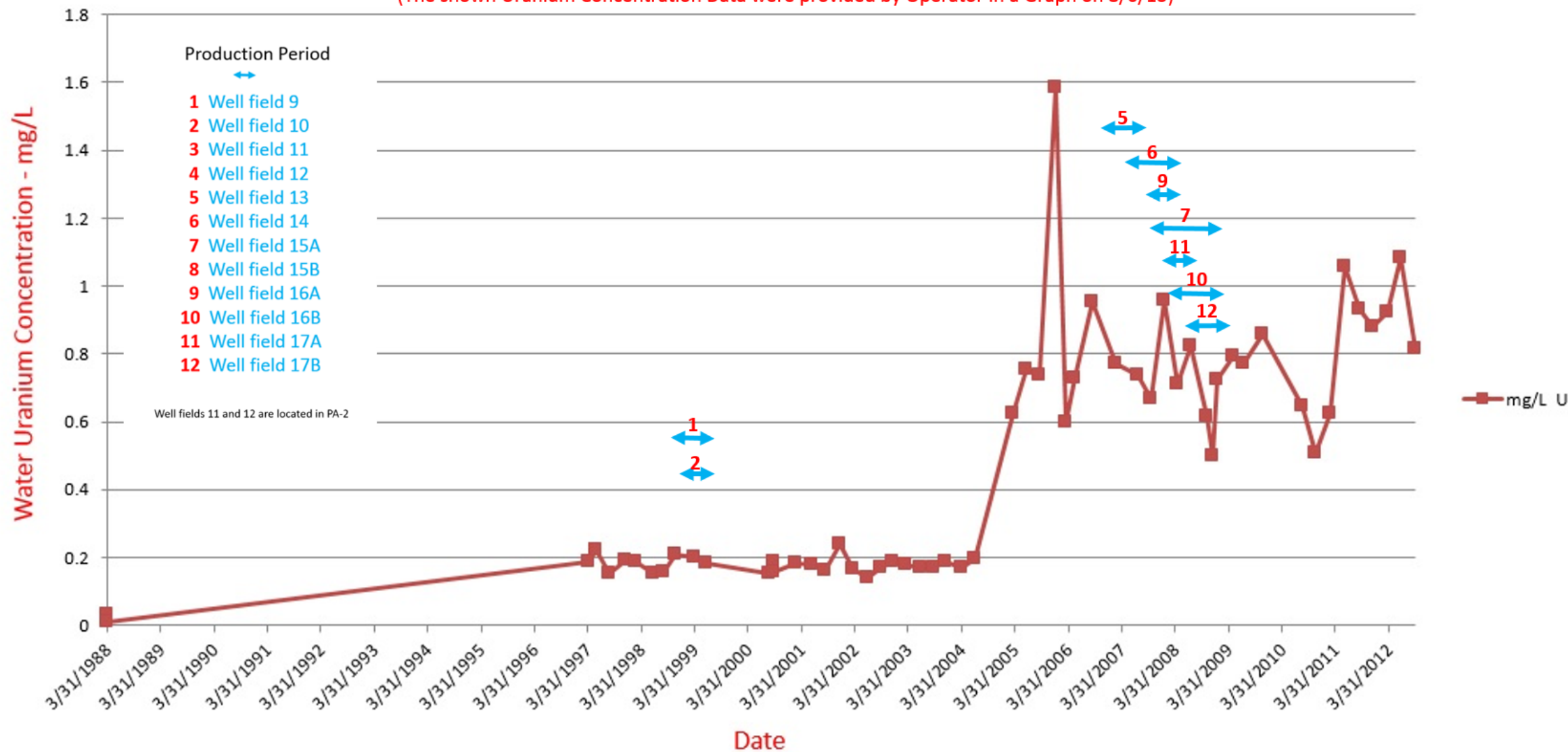


Table I

The economic evaluation of the Roca Honda uranium resource was prepared under the supervision of Stuart E. Collins of Roscoe Postle (USA) Ltd., Lakewood, Colorado. Mr. Collins is a Registered Professional Mining Engineer in the state of Colorado, and is a registered member of the Society for Mining and Metallurgy, and Exploration, and an independent and Qualified Person as defined in NI 43-101.

Summary of Roca Honda Mineral Resources as at August 9, 2011:

Measured and Indicated Resources:

| Classification            | Tons             | Grade % $U_3O_8$ | Lb $U_3O_8$       |
|---------------------------|------------------|------------------|-------------------|
| Measured                  | 284,000          | 0.395            | 2,247,000         |
| Indicated                 | 1,793,000        | 0.405            | 14,536,000        |
| <b>Total M+I</b>          | <b>2,077,000</b> | <b>0.404</b>     | <b>16,783,000</b> |
| <b>Inferred Resource:</b> |                  |                  |                   |
| Classification            | Tons             | Grade % $U_3O_8$ | Lb $U_3O_8$       |
| Inferred                  | 1,448,000        | 0.411            | 11,894,000        |

Notes:

1. CIM definitions were followed for Mineral Resources.
2. The Qualified Person for this Mineral Resource estimate is Patti Nakai-Lajoie, P.Geol.
3. Mineral Resources are estimated using a cut-off grade of 0.13%  $U_3O_8$ . ←
4. A minimum mining thickness of six feet was used.
5. Numbers may not add due to rounding.

The modeling and estimation of the uranium resources were prepared under the supervision of Patti Nakai-Lajoie, P.Geol. and Principal Geologist, RPA. Ms. Nakai-Lajoie is a Professional Geoscientist in the Province of Ontario and an independent and Qualified Person as defined in NI 43-101. Ms. Nakai-Lajoie visited the Roca Honda Property on May 10-12, 2011 and is of the opinion that the data verification procedures support the geologic interpretations and confirm the quality of the database. It should be noted that mineral resources, which are not mineral reserves, do not have demonstrated economic viability.

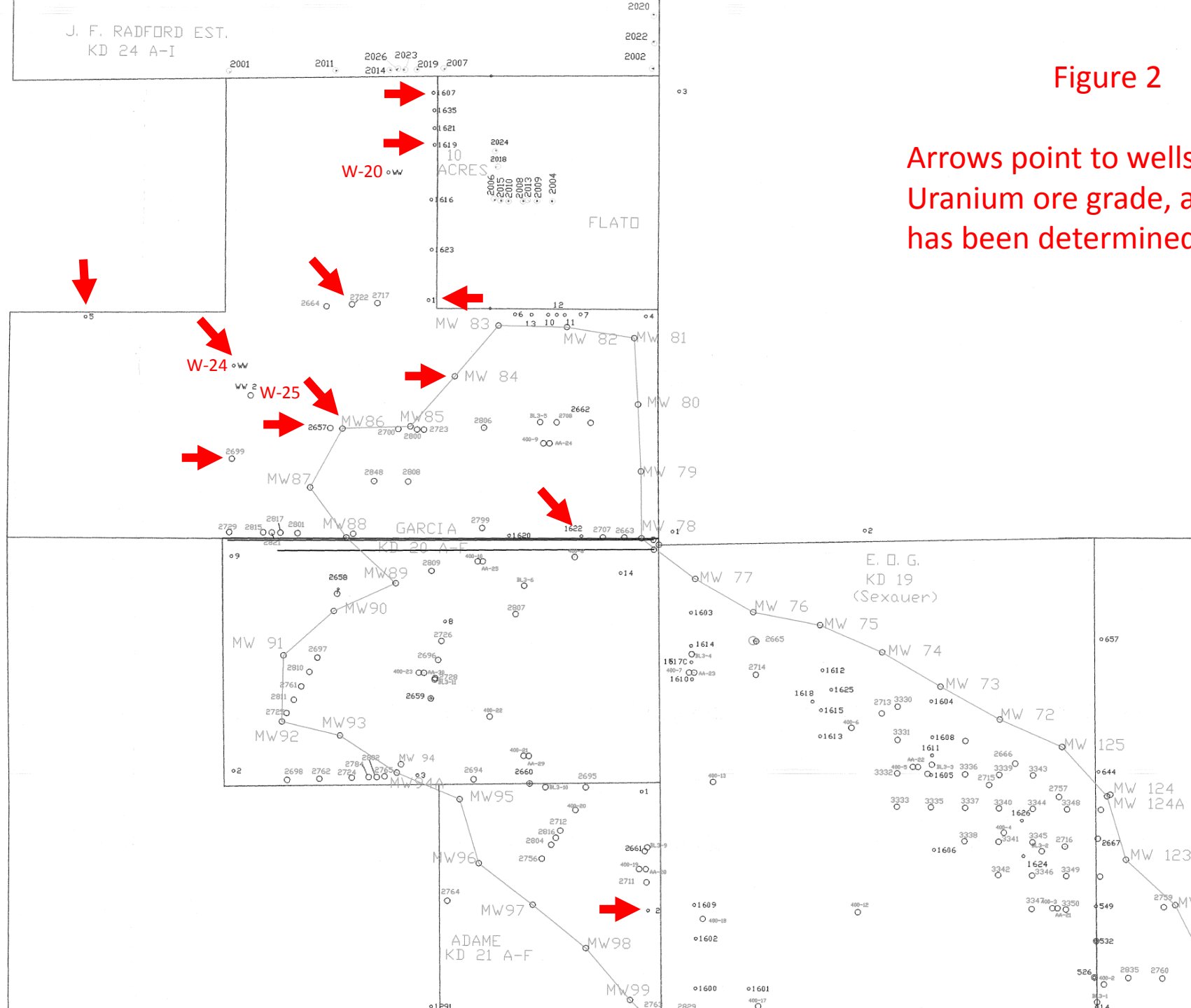




Table II.- Summary of Highest Uranium Ore Grade Values Estimated from GR Log Readings for the Selected Garcia Hill Area Wells

|   |                           | GH W-24                   | Garcia 2699               | Garcia 2657               | MW-86                     | Garcia 2722               | Garcia 5                  | Garcia 1                  | MW-84 |  | Expl G1607 | Expl G1619 | Expl G1622 |  |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------|--|------------|------------|------------|--|
|   | Ft From GH W-24 (approx.) | 0                         | 547                       | 681                       | 739                       | 787                       | 915                       | 1207                      | 1302  |  | 550        | 335        | 2500       |  |
| "B" Sand Interval?                        | Yes<br>508 - 621          | Yes<br>562 - 633          | Yes<br>550 - 634          | Yes<br>535 - 629          | Yes<br>538 - 606          | Yes<br>555 - 628          | Yes<br>530 - 600          | Yes<br>538 - 615          |       |  |            |            |            |  |
| "B" Sand Highst. Ore Grade Read (%eU3O8)  | 0.0030<br>@ 575.0         | 0.0062<br>@ 573.5         | Essentially Flat GR Curve | 0.0025<br>@ 564.5         | 0.0281<br>@ 554.5         | Essentially Flat GR Curve | 0.0071<br>@ 554.0         | 0.0076<br>@ 577.0         |       |  |            |            |            |  |
| "A" Sand Interval?                        | Yes<br>625 - 691          | Yes<br>643 - 705          | Yes<br>640 - 663          | Yes<br>640 - 670          | Yes<br>611 - 650          | Yes<br>640 - 692          | Yes<br>611 - 678          | Yes<br>661 - 675          |       |  |            |            |            |  |
| "A" Sand Highst. Ore Grade Read (%eU3O8)  | Essentially Flat GR Curve | Essentially Flat GR Curve | Essentially Flat GR Curve | Essentially Flat GR Curve | Essentially Flat GR Curve | Essentially Flat GR Curve | Essentially Flat GR Curve | Essentially Flat GR Curve |       |  |            |            |            |  |
| "AA" Sand Interval?                       | Yes<br>695 - 747          | Yes<br>709 - 780          | Yes<br>692 - 761          | Yes<br>688 - 719          | Yes<br>686 - 780          | Yes<br>695 - 750          | Yes<br>681 - 762          | Yes<br>678 - 773          |       |  |            |            |            |  |
| "AA" Sand Highst. Ore Grade Read (%eU3O8) | Essentially Flat GR Curve | 0.0035<br>@ 737.5         | 0.0055<br>@ 746.5         | Essentially Flat GR Curve | Essentially Flat GR Curve | Essentially Flat GR Curve | Essentially Flat GR Curve | Essentially Flat GR Curve |       |  |            |            |            |  |
| Initial U mg/L                            | 0.032<br>0.011            | Drilled & Abandoned       | Drilled & Abandoned       | 0.019                     | Drilled & Abandoned       | Drilled & Abandoned       | Drilled & Abandoned       | 0.031                     |       |  |            |            |            |  |
| All Distances and Depths are approximate. |                           |                           |                           |                           |                           |                           |                           |                           |       |  |            |            |            |  |

Figure 3





Figure 4 Handwritten PA-3 Water Uranium Concentrations for North Monitoring Wells, Near Garcia Hill

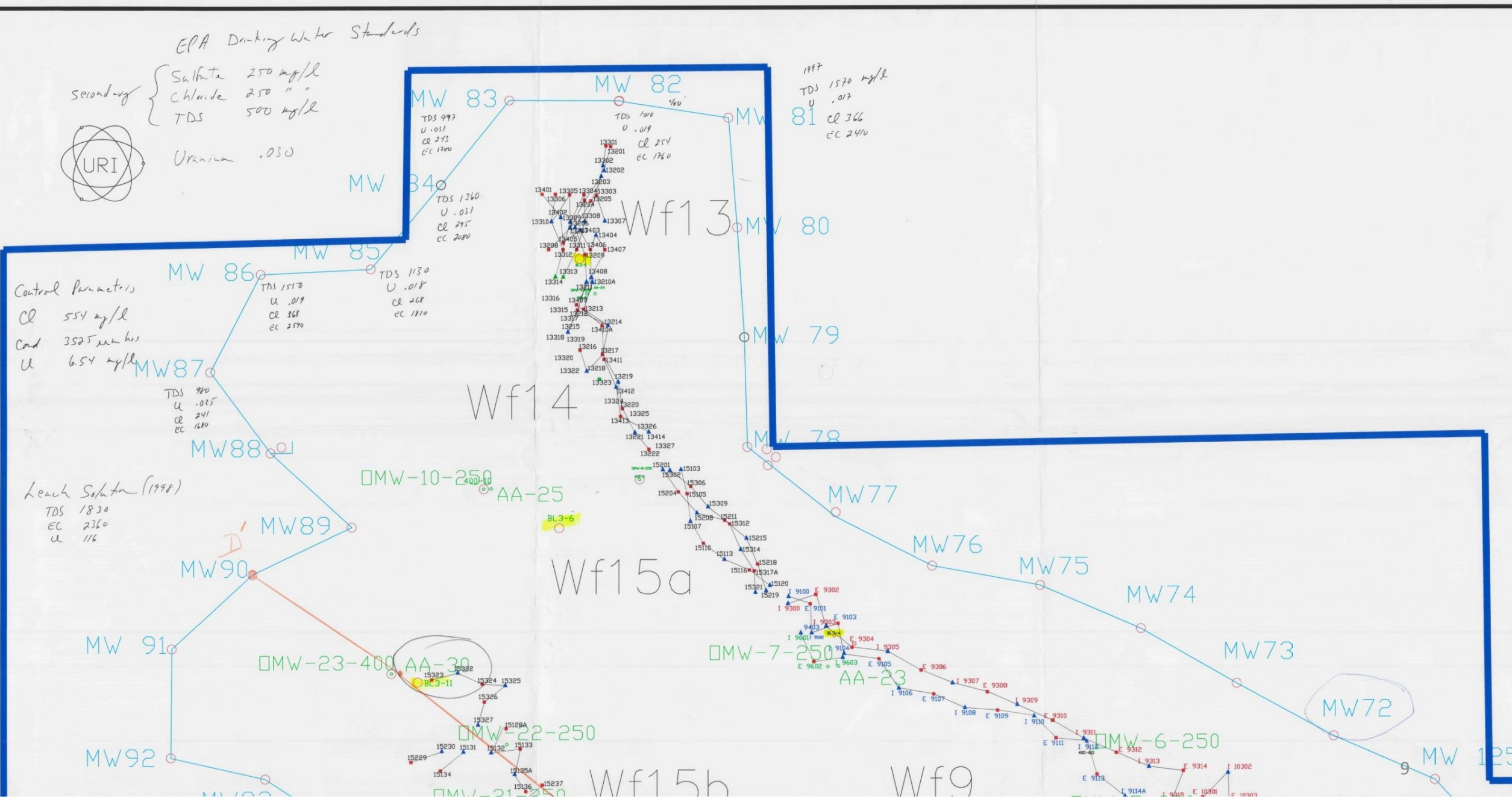
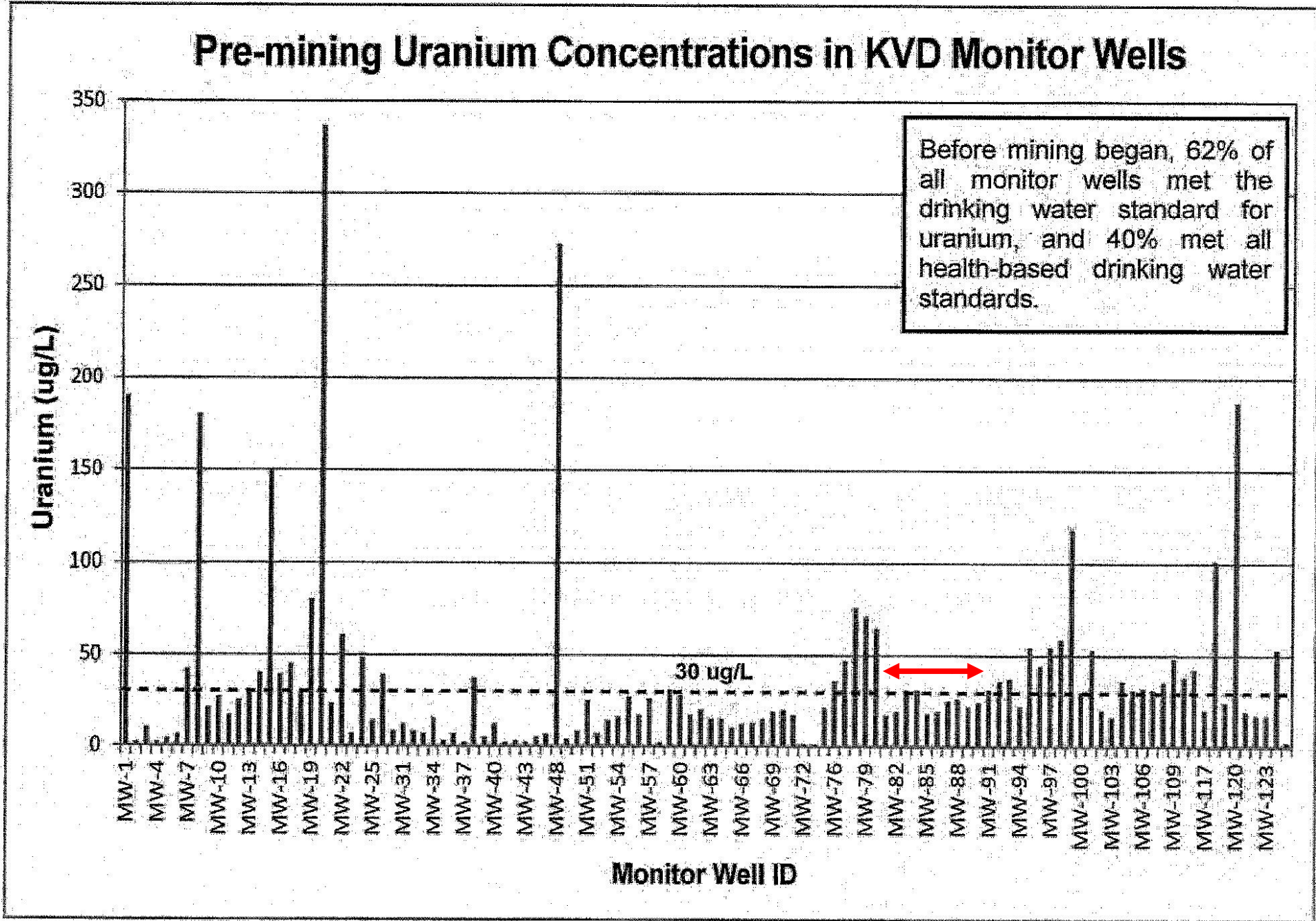


Figure 5

Uranium concentrations in water samples from the North Monitoring Wells (the closest to Garcia Hill and to this work's selected wells) stood at near or below the standard of 30  $\mu\text{g/L}$ .



Data sources: Applications for PAAs 1, 2, and 3, produced by URI in 1987, 1989, and 1997/2002, respectively.

## Pre-Mining Uranium Concentrations in PA-3's Northernmost Monitoring Wells

| Monitoring Well<br>Number | Baseline<br>Uranium Concentration<br>mg/L |
|---------------------------|---|
| MW-81                     | 0.017                                     |
| MW-82                     | 0.019                                     |
| MW-83                     | 0.031                                     |
| MW-84                     | 0.031                                     |
| MW-85                     | 0.018                                     |
| MW-86                     | 0.019                                     |
| MW-87                     | 0.025                                     |

Source: Handwritten notes on Operator provided map



## One Rare Analysis for Uranium for a City of Kingsville's Public Water Supply Well



### Safe Drinking Water Information System (SDWIS)

Report generated on:  
9/12/2012

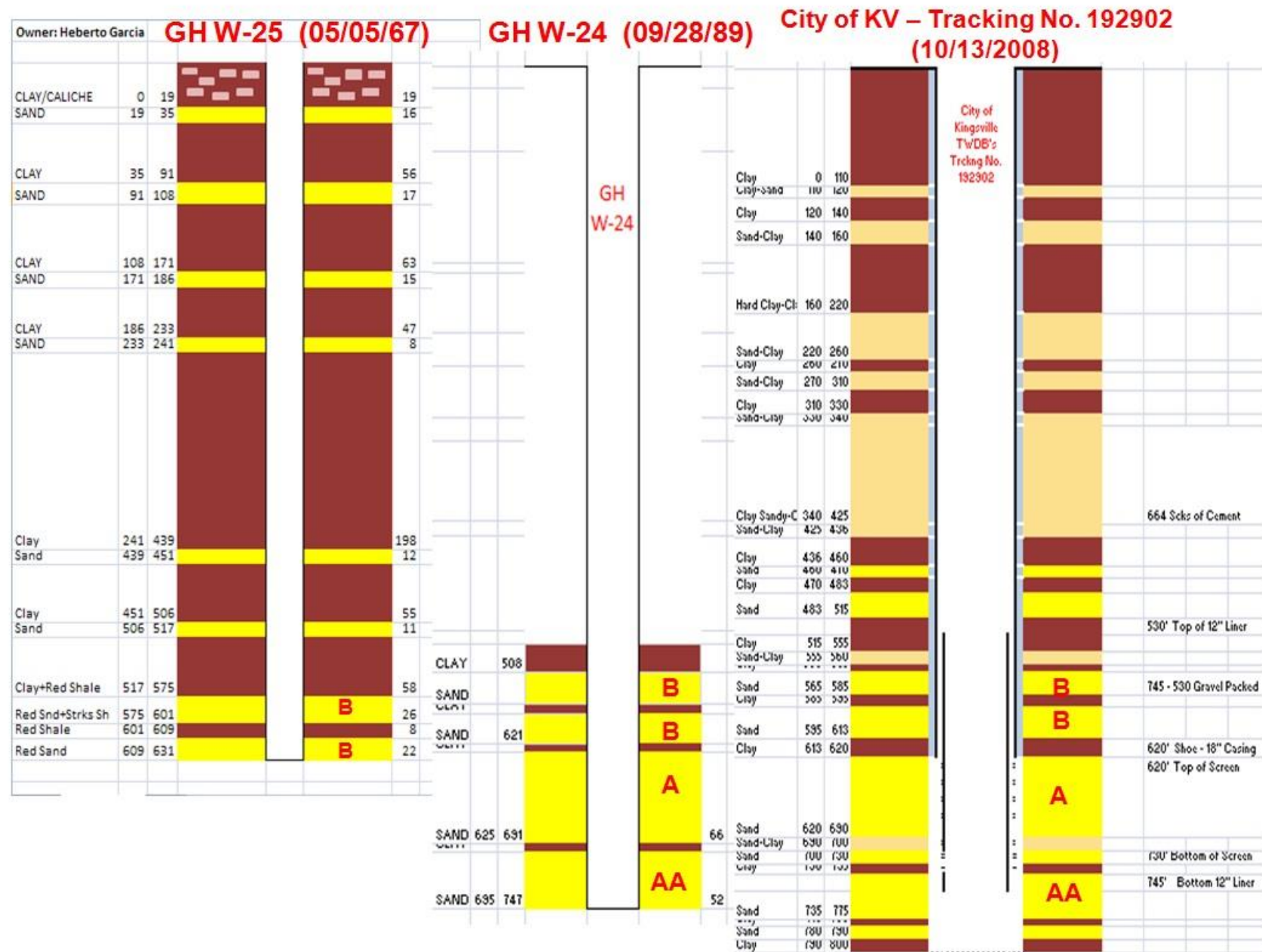
- Radionuclide Results Report: CITY OF KINGSVILLE PWSID TX1370001 for samples collected between  
1/1/2000 and 9/12/2012

Report Description: Detailed Radionuclide result for a system by entry point and sample given a user  
defined date range and PWS ID.

#### CITY OF KINGSVILLE (TX1370001) - EP004 "GST" 1/1/2000 - 9/12/2012

| <u>TCEQ ID</u> | <u>LAB ID</u> | <u>TEST NAME</u>                         | <u>RESULT</u>     | <u>UNIT OF ME</u> | <u>SAMPLE DATE</u> | <u>SYSTEM ID</u> | <u>CONT ID</u> | <u>POC 1</u> |
|----------------|---------------|--|-------------------|-------------------|--------------------|------------------|----------------|--------------|
| 1153870        | AB54309       | Gross Alpha, Incl. Radon & U             | 15.4              | pCi/L             | 04/20/2011         | 1370001          | 4002           | EP004        |
| 1153870        | AB54309       | Gross Beta Particle Activity             | 7.4               | pCi/L             | 04/20/2011         | 1370001          | 4100           | EP004        |
| 1153870        | AB54309       | Radium-226                               | Non-Detect        |                   | 04/20/2011         | 1370001          | 4020           | EP004        |
| 1153870        | AB54309       | Radium-228                               | Non-Detect        |                   | 04/20/2011         | 1370001          | 4030           | EP004        |
| 1153870        | AB54309       | Uranium-238 ←                            | 2.7               | pCi/L             | 04/20/2011         | 1370001          | 4009           | EP004        |
| 1153870        | AB54309       | Uranium-234 ←                            | 6.5               | pCi/L             | 04/20/2011         | 1370001          | 4007           | EP004        |
| 1153870        | AB54309       | Uranium-235 ←                            | Non-Detect        |                   | 04/20/2011         | 1370001          | 4008           | EP004        |
|                |               | <b>Combined Uranium</b>                  | <b>8.0</b>        | <b>µg/L</b>       |                    |                  |                |              |
|                |               | <b>Gross Alpha, Excl. Radon &amp; U</b>  | <b>10.0</b>       | <b>pCi/L</b>      |                    |                  |                |              |
|                |               | <b>Combined Radium (-226 &amp; -228)</b> | <b>Non-Detect</b> |                   |                    |                  |                |              |
| 0828826        | AA51939       | Gross Alpha, Incl. Radon & U             | 10.1              | pCi/L             | 02/12/2008         | 1370001          | 4002           | EP004        |
| 0828826        | AA51939       | Gross Beta Particle Activity             | 5.4               | pCi/L             | 02/12/2008         | 1370001          | 4100           | EP004        |
| 0828826        | AA51939       | Radium-226                               | Non-Detect        |                   | 02/12/2008         | 1370001          | 4020           | EP004        |
| 0828826        | AA51939       | Radium-228                               | Non-Detect        |                   | 02/12/2008         | 1370001          | 4030           | EP004        |
|                |               | <b>Combined Radium (-226 &amp; -228)</b> | <b>Non-Detect</b> |                   |                    |                  |                |              |
| 0525248        | EP506258      | Gross Beta Particle Activity             | 10.3              | pCi/L             | 03/07/2005         | 1370001          | 4100           | EP004        |
| 0525248        | EP506258      | Radium-226                               | Non-Detect        |                   | 03/07/2005         | 1370001          | 4020           | EP004        |
| 0525248        | EP506258      | Radium-228                               | Non-Detect        |                   | 03/07/2005         | 1370001          | 4030           | EP004        |
| 0525248        | EP506258      | Gross Alpha Particle Activity            | 11.9              | pCi/L             | 03/07/2005         | 1370001          | 4109           | EP004        |
|                | EP204782      | Gross Beta Particle Activity             | 9.2               | pCi/L             | 03/12/2002         | 1370001          | 4100           | EP004        |
|                | EP204782      | Radium-226                               | Non-Detect        |                   | 03/12/2002         | 1370001          | 4020           | EP004        |
|                | EP204782      | Radium-228                               | Non-Detect        |                   | 03/12/2002         | 1370001          | 4030           | EP004        |
|                | EP204782      | Gross Alpha Particle Activity            | 12.2              | pCi/L             | 03/12/2002         | 1370001          | 4109           | EP004        |

Figure 6 Stratigraphic Column/Completion Comparison for Garcia Hill W-24, W-25 and City of Kingsville PWS No. 7 Well





## THE COMPUTATIONAL MODEL USED FOR ESTIMATING URANIUM ORE GRADE AS %U<sub>3</sub>O<sub>8</sub>

A SAMPLE COMPUTATION OF URANIUM ORE GRADE, USING THE BACKGROUND TO BACKGROUND METHOD, HAS BEEN IMPLEMENTED, AND THE RESULTS HAVE BEEN COMPARED AGAINST THE AVAILABLE RESULTS FROM ANOTHER COMMERCIAL COMPUTER PROGRAM FOR VALIDATION OF THE PROCEDURE USED IN THIS WORK. DETAILS ON THESE COMPUTATIONS ARE PRESENTED BELOW.

The numerical results for an assay by COMPUTER LOGGING INCORPORATED for the KVD area Adami No. 2 Well were faithfully duplicated by the computer routine used in this work, as can be seen in Tables IV and V. The curve in Figure 7 is the graphic representation of the digitized GR data, which was used as input.

The same computational scheme was used for all of the other assays, which were completed for the 11 selected KVD area wells. The map in Figure 1 identifies these wells and illustrates their location. These wells' GR Logs were digitized by taking readings every six inches across the selected depth interval, and tabulating them. The tabulated readings were later put in a graph for comparison with the recorded log curve as a quality assurance exercise.

Tables VI through XVIII show the input GR readings and the computed %U<sub>3</sub>O<sub>8</sub> values. These results are for eligible "B" and "AA" Sands intervals when present in the selected wells. Figures 8 through 33 illustrate the recorded GR and digitized curves. Alternating with these curves are graphic comparisons of the %U<sub>3</sub>O<sub>8</sub> values, computed across the selected depth interval, against the set cut-off ore grade values for mining, one of the main objectives of this work.

Comparison of the highest ore grade readings against the set cut-off values for mining was illustrated at the beginning of this discussion (Figure 3) to call attention to the natural correlation between very low Uranium ore grade and drinkable water.

Table IV

## COMPUTER LOGGING INCORPORATED

## URANIUM DATA ANALYSIS

CLIENT: U.R.I.  
HOLE NO: ADAMI#2  
DATE: 12-07-87

%U308

K-FACTOR= .00000630  
CORRECTION FACTOR= 1.150

DEADTIME (MICROSEC.)= .00000025

| DEPTH<br>(FT) | RAW<br>CPS | CORRECTED<br>CPS | GRADE<br>%U308 | CUT #1<br>.020 | CUT #2<br>.050 | CUT #3<br>.080 | CUT #4<br>.100 | HOLE<br>SIZE<br>AND<br>WATER<br>CORR.<br>GRADE |
|---------------|------------|------------------|----------------|----------------|----------------|----------------|----------------|--|
| 662.0         | 194.       | 194.             | .003           |                |                |                |                | 0.0028   |
| 662.5         | 223.       | 223.             | .003           |                |                |                |                | 0.0033   |
| 663.0         | 266.       | 266.             | .004           |                |                |                |                | 0.0039   |
| 663.5         | 353.       | 353.             | .005           |                |                |                |                | 0.0052   |
| 664.0         | 638.       | 638.             | .009           |                |                |                |                | 0.0093   |
| 664.5         | 1170.      | 1171.            | .017           |                |                |                |                | 0.0171   |
| 665.0         | 1649.      | 1650.            | .024           | .024           |                |                |                | 0.0242   |
| 665.5         | 1809.      | 1810.            | .026           | .026           |                |                |                | 0.0265   |
| 666.0         | 1686.      | 1686.            | .024           | .024           |                |                |                | 0.0247   |
| 666.5         | 1618.      | 1619.            | .023           | .023           |                |                |                | 0.0237   |
| 667.0         | 1789.      | 1790.            | .026           | .026           |                |                |                | 0.0262   |
| 667.5         | 2255.      | 2257.            | .033           | .033           |                |                |                | 0.0330   |
| 668.0         | 2321.      | 2322.            | .034           | .034           |                |                |                | 0.0340   |
| 668.5         | 1692.      | 1692.            | .025           | .025           |                |                |                | 0.0248   |
| 669.0         | 999.       | 999.             | .014           |                |                |                |                | 0.0146   |
| 669.5         | 603.       | 604.             | .009           |                |                |                |                | 0.0088   |
| 670.0         | 467.       | 467.             | .007           |                |                |                |                | 0.0068   |
| 670.5         | 397.       | 397.             | .006           |                |                |                |                | 0.0058   |

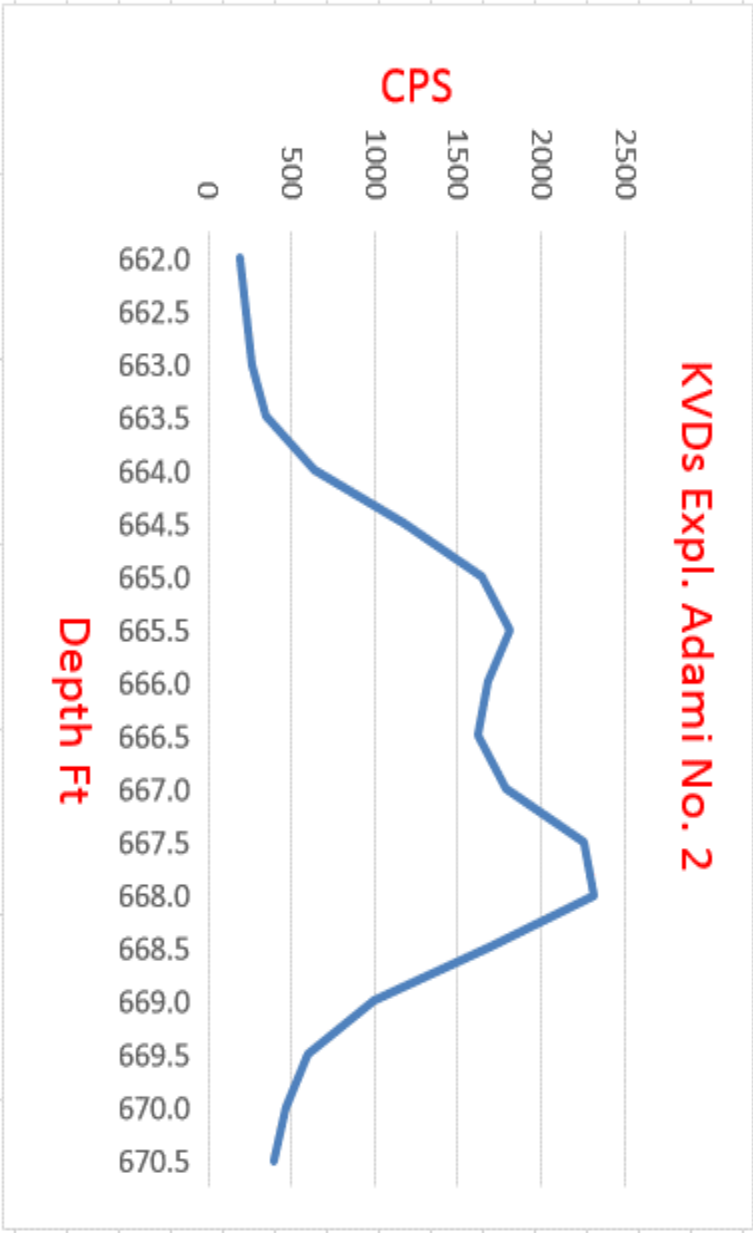
CUTOFF NUMBER 1

NUMBER OF HALF-FOOT INTERVALS: 8

AVERAGE GRADE= .027

GRADE-THICKNESS PRODUCT= .107

Figure 7



KVD’s Exploratory Adami No. 2 Well - Digitized GR Curve - From Table I

Table V

# ORE GRADE AND GRADE-THICKNESS CALCULATION

## Background to Background Method (Continues)

|                               |             |                  |            |        |
|-------------------------------|-------------|------------------|------------|--------|
| <i>Given Data</i>             |             |                  |            |        |
| <i>Data Entered by Logger</i> |             |                  |            |        |
| <i>Calculated Data</i>        |             |                  |            |        |
| DATE:                         |             |                  |            |        |
| WELL NAME:                    | Adami No. 2 |                  |            |        |
| LOGGING ENGINEER:             |             |                  |            |        |
| UNIT No.:                     |             |                  |            |        |
| PROBE No.:                    |             |                  |            |        |
| INTERVAL: Ft                  | 0.5         |                  |            |        |
| BIT SIZE: in Inches           | 5.125       |                  |            |        |
| WATER IN HOLE? (Y/N)          | y           |                  |            |        |
| WATER CORRECTION:             | 1.14861875  |                  |            |        |
| STEEL PIPE IN HOLE? (Y/N)     | n           |                  |            |        |
| THICKNESS: in Inches          | 1           |                  |            |        |
| STEEL CORRECTION:             | 1           |                  |            |        |
| DEAD TIME:                    | 2.50000E-07 |                  |            |        |
| K FACTOR:                     | 6.30000E-06 |                  |            |        |
|                               |             |                  |            |        |
|                               |             | GRADE=           | 0.01714317 | %eU308 |
|                               |             | GRADE-THICKNESS= | 0.14571697 |        |
| Interval Of Interest:         | 662.00      | to               | 670.50     |        |
| <b>KVD's PA-3 Adami No. 2</b> |             |                  |            |        |

# ORE GRADE AND GRADE-THICKNESS CALCULATION (Concluded)

## Background to Background Method

| KVD's PA-3 Adami No. 2 |                                    |  |                               |  |  |                                    |
|------------------------|------------------------------------|--|-------------------------------|--|--|------------------------------------|
| DEPTH                  | GAMMA-HI<br>CPS<br>PROBE<br>COUNTS |  | GAMMA-HI<br>CPS,<br>CORRECTED | %eU3O8<br>RADIOMETRIC<br>GRADE PER<br>UNIT | HOLE<br>SIZE<br>AND<br>WATER<br>CORR.<br>GRADE | STEEL CASING<br>CORRECTED<br>GRADE |
| 662.00                 | 194.00                             |  | 194.01                        | 0.0024                                     | 0.0028   | 0.0028                             |
| 662.50                 | 223.00                             |  | 223.01                        | 0.0028                                     | 0.0033   | 0.0033                             |
| 663.00                 | 266.00                             |  | 266.02                        | 0.0034                                     | 0.0039   | 0.0039                             |
| 663.50                 | 353.00                             |  | 353.03                        | 0.0044                                     | 0.0052   | 0.0052                             |
| 664.00                 | 638.00                             |  | 638.10                        | 0.0080                                     | 0.0093   | 0.0093                             |
| 664.50                 | 1170.00                            |  | 1170.34                       | 0.0147                                     | 0.0171   | 0.0171                             |
| 665.00                 | 1649.00                            |  | 1649.68                       | 0.0208                                     | 0.0242   | 0.0242                             |
| 665.50                 | 1809.00                            |  | 1809.82                       | 0.0228                                     | 0.0265   | 0.0265                             |
| 666.00                 | 1686.00                            |  | 1686.71                       | 0.0213                                     | 0.0247   | 0.0247                             |
| 666.50                 | 1618.00                            |  | 1618.65                       | 0.0204                                     | 0.0237   | 0.0237                             |
| 667.00                 | 1789.00                            |  | 1789.80                       | 0.0226                                     | 0.0262   | 0.0262                             |
| 667.50                 | 2255.00                            |  | 2256.27                       | 0.0284                                     | 0.0330   | 0.0330                             |
| 668.00                 | 2321.00                            |  | 2322.35                       | 0.0293                                     | 0.0340   | 0.0340                             |
| 668.50                 | 1692.00                            |  | 1692.72                       | 0.0213                                     | 0.0248   | 0.0248                             |
| 669.00                 | 999.00                             |  | 999.25                        | 0.0126                                     | 0.0146   | 0.0146                             |
| 669.50                 | 603.00                             |  | 603.09                        | 0.0076                                     | 0.0088   | 0.0088                             |
| 670.00                 | 467.00                             |  | 467.05                        | 0.0059                                     | 0.0068   | 0.0068                             |
| 670.50                 | 397.00                             |  | 397.04                        | 0.0050                                     | 0.0058   | 0.0058                             |

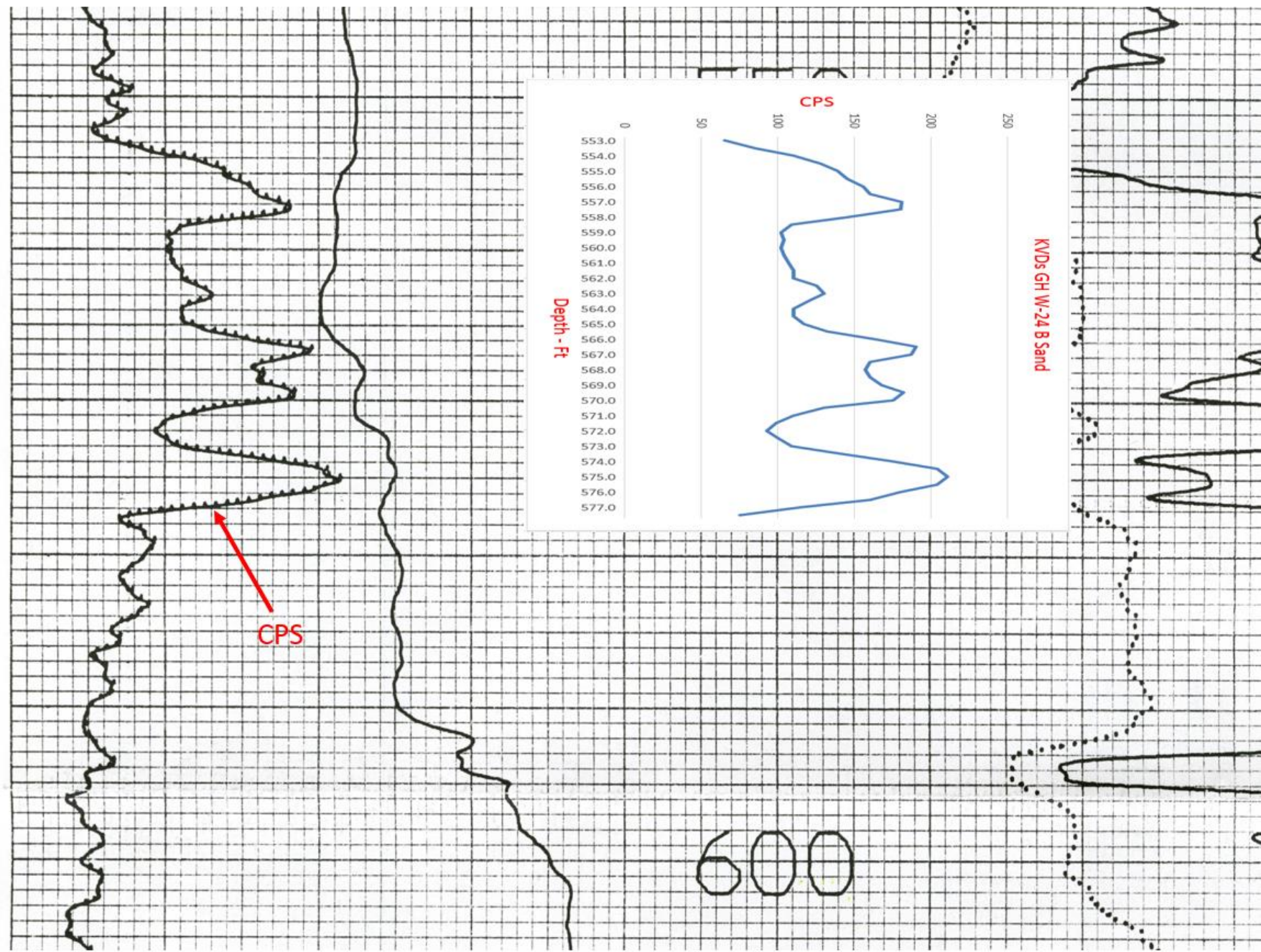
T  
a  
b  
l  
e  
  
v



The Assay for the Garcia Hill W-24 Water Supply Well, initially identified as 1989 Exploratory Well Garcia 1627, is shown in Figures 8 and 9, and in Table VI.

Figure 9 illustrates the contrast between the estimated ore grade values across the “B” Sand in the W-24 well and the 0.11 %U<sub>3</sub>O<sub>8</sub> and 0.13 %U<sub>3</sub>O<sub>8</sub> curves, set as the cut-off values for mining.

Figure 8



KVDs GH W-24 - "B" Sand - GR Log - Recorded & Digitized Curves Comparison

ORE GRADE AND GRADE-THICKNESS CALCULATION  
Background to Background Method

Table VI  
(Continues)

| KVDs Garcia Hill W-24 - B Sand |                                    |  |                               |   |  |                                    |
|--------------------------------|------------------------------------|--|-------------------------------|---|--|------------------------------------|
| DEPTH                          | GAMMA-HI<br>CPS<br>PROBE<br>COUNTS |  | GAMMA-HI<br>CPS,<br>CORRECTED | %U3O8<br>RADIOMETRIC<br>GRADE PER<br>UNIT | HOLE<br>SIZE<br>AND<br>WATER<br>CORR.<br>GRADE | STEEL CASING<br>CORRECTED<br>GRADE |
| 553.00                         | 65.00                              |  | 65.00                         | 0.0008                                    | 0.0009   | 0.0009                             |
| 553.50                         | 85.00                              |  | 85.00                         | 0.0010                                    | 0.0012   | 0.0012                             |
| 554.00                         | 110.00                             |  | 110.00                        | 0.0014                                    | 0.0016   | 0.0016                             |
| 554.50                         | 128.00                             |  | 128.00                        | 0.0016                                    | 0.0018   | 0.0018                             |
| 555.00                         | 139.00                             |  | 139.00                        | 0.0017                                    | 0.0020   | 0.0020                             |
| 555.50                         | 145.00                             |  | 145.01                        | 0.0018                                    | 0.0021   | 0.0021                             |
| 556.00                         | 156.00                             |  | 156.01                        | 0.0019                                    | 0.0022   | 0.0022                             |
| 556.50                         | 160.00                             |  | 160.01                        | 0.0020                                    | 0.0023   | 0.0023                             |
| 557.00                         | 181.00                             |  | 181.01                        | 0.0022                                    | 0.0026   | 0.0026                             |
| 557.50                         | 180.00                             |  | 180.01                        | 0.0022                                    | 0.0026   | 0.0026                             |
| 558.00                         | 145.00                             |  | 145.01                        | 0.0018                                    | 0.0021   | 0.0021                             |
| 558.50                         | 109.00                             |  | 109.00                        | 0.0013                                    | 0.0016   | 0.0016                             |
| 559.00                         | 102.00                             |  | 102.00                        | 0.0013                                    | 0.0015   | 0.0015                             |
| 559.50                         | 104.00                             |  | 104.00                        | 0.0013                                    | 0.0015   | 0.0015                             |
| 560.00                         | 102.00                             |  | 102.00                        | 0.0013                                    | 0.0015   | 0.0015                             |
| 560.50                         | 104.00                             |  | 104.00                        | 0.0013                                    | 0.0015   | 0.0015                             |
| 561.00                         | 107.00                             |  | 107.00                        | 0.0013                                    | 0.0015   | 0.0015                             |
| 561.50                         | 110.00                             |  | 110.00                        | 0.0014                                    | 0.0016   | 0.0016                             |
| 562.00                         | 110.00                             |  | 110.00                        | 0.0014                                    | 0.0016   | 0.0016                             |
| 562.50                         | 125.00                             |  | 125.00                        | 0.0015                                    | 0.0018   | 0.0018                             |
| 563.00                         | 130.00                             |  | 130.00                        | 0.0016                                    | 0.0019   | 0.0019                             |
| 563.50                         | 120.00                             |  | 120.00                        | 0.0015                                    | 0.0017   | 0.0017                             |
| 564.00                         | 110.00                             |  | 110.00                        | 0.0014                                    | 0.0016   | 0.0016                             |
| 564.50                         | 110.00                             |  | 110.00                        | 0.0014                                    | 0.0016   | 0.0016                             |
| 565.00                         | 117.00                             |  | 117.00                        | 0.0014                                    | 0.0017   | 0.0017                             |



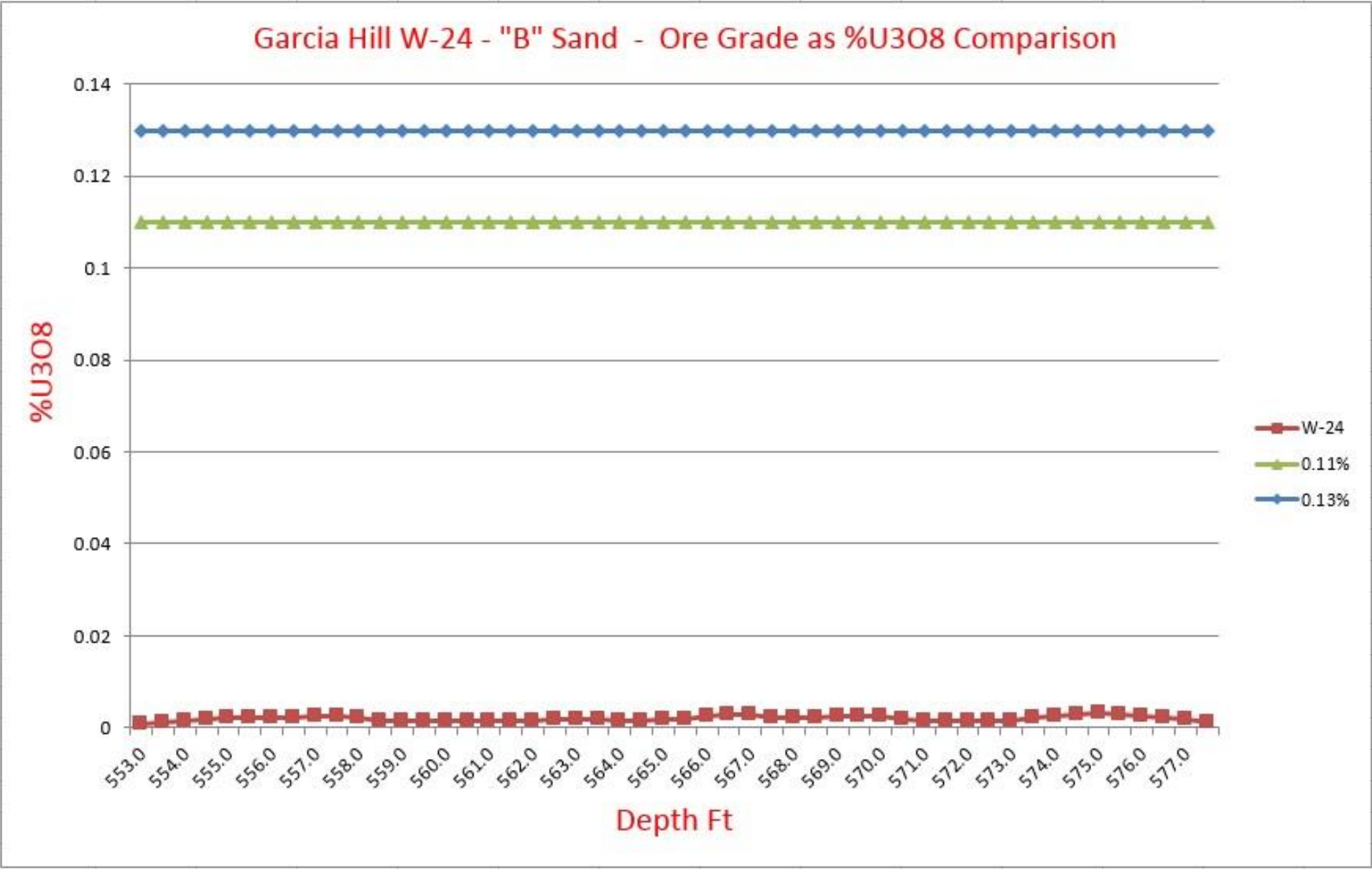
## ORE GRADE AND GRADE-THICKNESS CALCULATION

### Table VI (Concluded)

### KVDs W-24 - "B" Sand

[illegible]

Figure 9

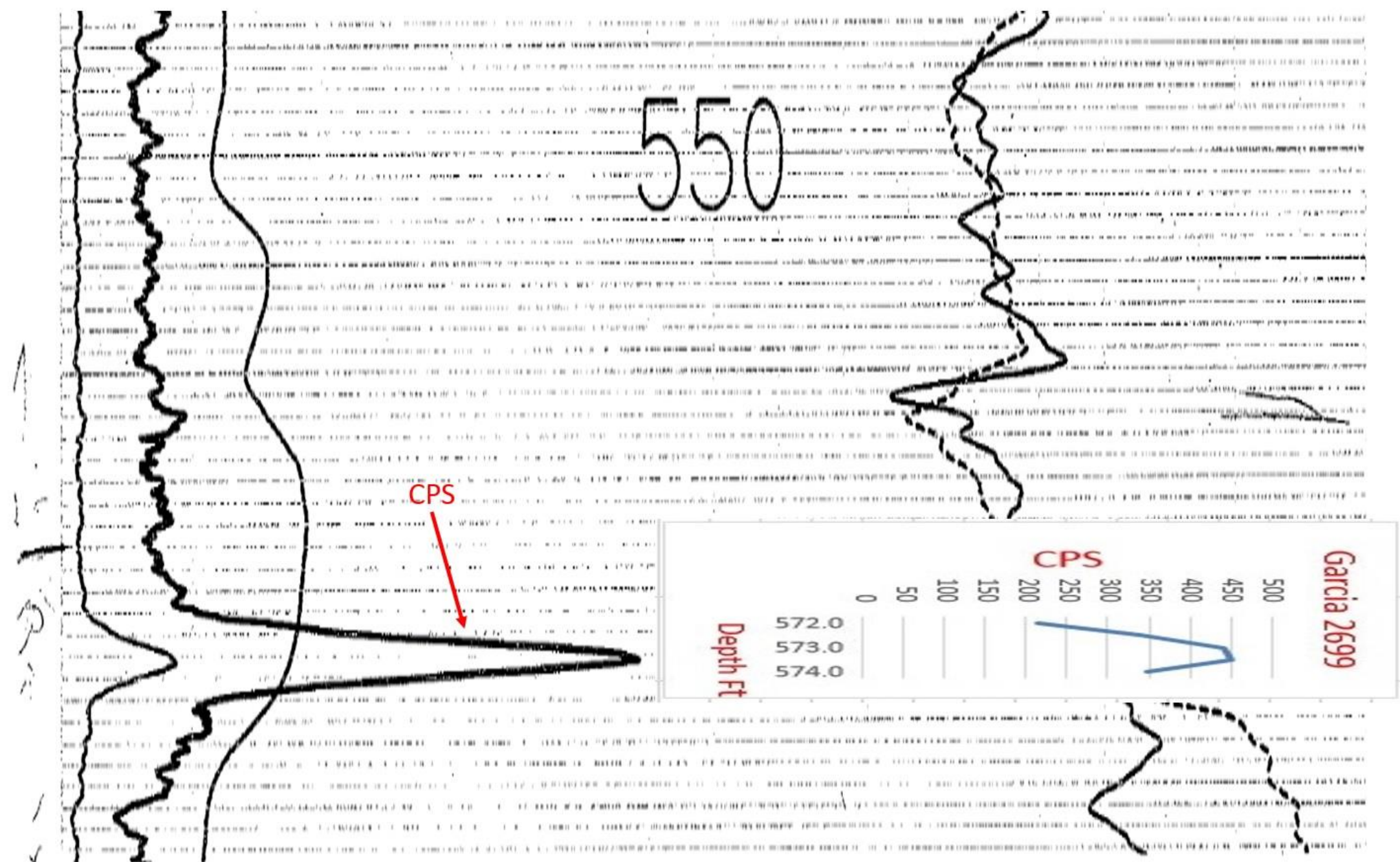




The Assay for the Exploratory Garcia 2699 Well, “B” Sand, is shown in Figures 10 and 11, and in Table VII.

Figure 11 illustrates the spread between the estimated ore grade values across the “B” Sand in the Garcia 2699 Well, and the 0.11 %U<sub>3</sub>O<sub>8</sub> and 0.13 %U<sub>3</sub>O<sub>8</sub> curves, the set cut-off values for mining.

Figure 10



KVD's Exploratory Garcia 2699 – "B" Sand – Recorded & Digitized Curves Comparison

ORE GRADE AND GRADE-THICKNESS CALCULATION  
Background to Background Method

Table VII

|                           |        |                                    |                               |   |                                       |                            |  |
|---------------------------|--------|------------------------------------|-------------------------------|---|---------------------------------------|----------------------------|--|
| Given Data                |        |                                    |                               |   |                                       |                            |  |
| Data Entered by Logger    |        |                                    |                               |   |                                       |                            |  |
| Calculated Data           |        |                                    |                               |   |                                       |                            |  |
| DATE:                     |        | 12/27/1996                         |                               |   |                                       |                            |  |
| WELL NAME:                |        | Garcia 2699                        |                               |   |                                       |                            |  |
| LOGGING ENGINEER:         |        |                                    |                               |   |                                       |                            |  |
| UNIT No.:                 |        |                                    |                               |   |                                       |                            |  |
| PROBE No.:                |        |                                    |                               |   |                                       |                            |  |
| INTERVAL: Ft              |        | 0.5                                |                               |   |                                       |                            |  |
| BIT SIZE: in Inches       |        | 6.750                              |                               |   |                                       |                            |  |
| WATER IN HOLE? (Y/N)      |        | y                                  |                               |   |                                       |                            |  |
| WATER CORRECTION:         |        | 1.2080125                          |                               |   |                                       |                            |  |
| STEEL PIPE IN HOLE? (Y/N) |        | n                                  |                               |   |                                       |                            |  |
| THICKNESS: in Inches      |        | 1                                  |                               |   |                                       |                            |  |
| STEEL CORRECTION:         |        | 1                                  |                               |   |                                       |                            |  |
| DEAD TIME:                |        | 2.30000E-07                        |                               |   |                                       |                            |  |
| K FACTOR:                 |        | 5.73000E-06                        |                               |   |                                       |                            |  |
| KVDs Expl. Garcia 2699    |        |                                    |                               |   |                                       |                            |  |
|                           |        |                                    | GRADE=                        | 0.0062130                                 | %eU308                                |                            |  |
|                           |        |                                    | GRADE-THICKNESS=              | 0.0124259                                 |                                       |                            |  |
| Interval Of Interest:     |        | 572.00 to                          | 574.00                        |   |                                       |                            |  |
|                           |        |                                    |                               |   |                                       |                            |  |
|                           | DEPTH  | GAMMA-HI<br>CPS<br>PROBE<br>COUNTS | GAMMA-HI<br>CPS,<br>CORRECTED | %U308<br>RADIOMETRIC<br>GRADE PER<br>UNIT | HOLE<br>SIZE<br>AND<br>WATER<br>CORR. | STEEL CASING<br>CORRECTION |  |
|                           | 572.00 | 215.00                             | 215.01                        | 0.0025                                    | 0.0030                                | 0.0030                     |  |
|                           | 572.50 | 340.00                             | 340.03                        | 0.0039                                    | 0.0047                                | 0.0047                     |  |
|                           | 573.00 | 442.00                             | 442.04                        | 0.0051                                    | 0.0061                                | 0.0061                     |  |
|                           | 573.50 | 450.00                             | 450.05                        | 0.0052                                    | 0.0062                                | 0.0062                     |  |
|                           | 574.00 | 348.00                             | 348.03                        | 0.0040                                    | 0.0048                                | 0.0048                     |  |

Figure 11



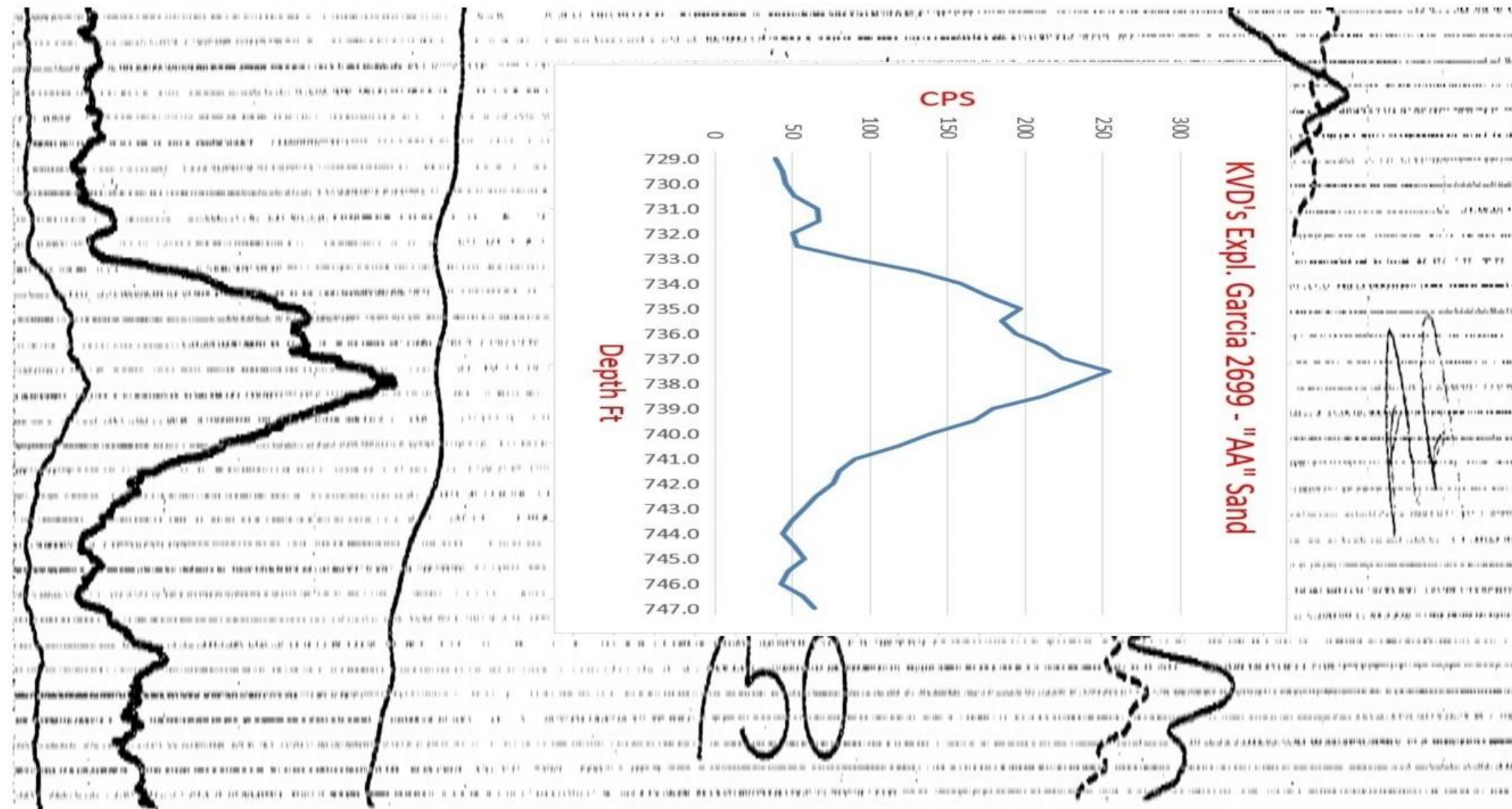
Ore Grade as %U3O8 Comparison

The Assay for the Exploratory Garcia 2699 Well, “AA” Sand, is shown in Figures 12 and 13, and in Table VIII.

Figure 13 illustrates the spread between the estimated ore grade values across the “AA” Sand in the Garcia 2699 Well, and the 0.11 %U<sub>3</sub>O<sub>8</sub> and 0.13 %U<sub>3</sub>O<sub>8</sub> curves, the set cut-off values for mining.



Figure 12



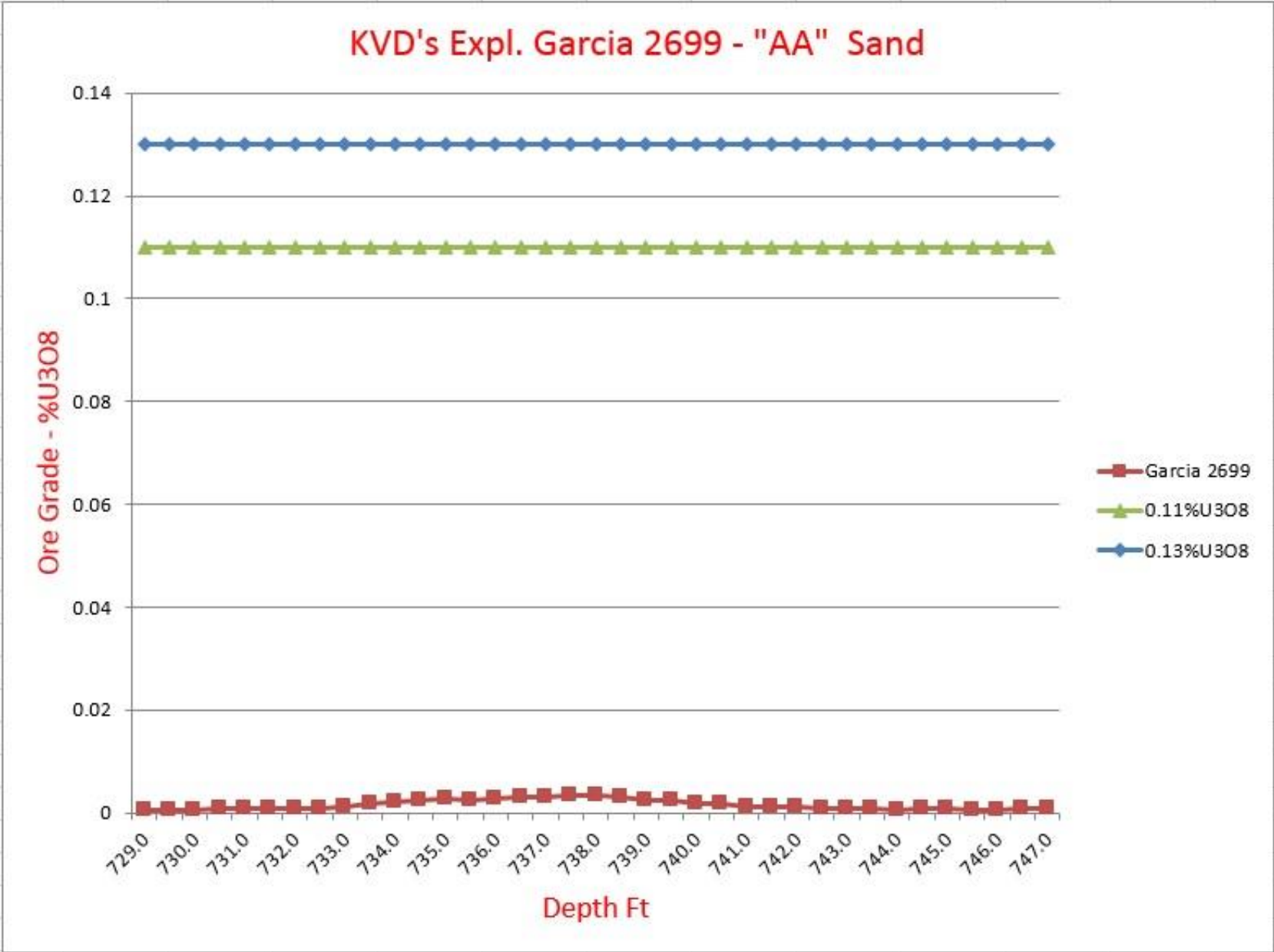
KVD's Expl. Garcia 2699 – "AA" Sand – GR Recorded & Digitized Curves Comparison

**ORE GRADE AND GRADE-THICKNESS CALCULATION**  
**Background to Background Method**

Table VIII

| KVDs Garcia 2699 - AA Sand |                                    |  |                               |   |  |                                    |
|----------------------------|------------------------------------|--|-------------------------------|---|--|------------------------------------|
| DEPTH                      | GAMMA-HI<br>CPS<br>PROBE<br>COUNTS |  | GAMMA-HI<br>CPS,<br>CORRECTED | %U3O8<br>RADIOMETRIC<br>GRADE PER<br>UNIT | HOLE<br>SIZE<br>AND<br>WATER<br>CORR.<br>GRADE | STEEL CASING<br>CORRECTED<br>GRADE |
| 729.00                     | 39.00                              |  | 39.00                         | 0.0004                                    | 0.0005   | 0.0005                             |
| 729.50                     | 44.00                              |  | 44.00                         | 0.0005                                    | 0.0006   | 0.0006                             |
| 730.00                     | 46.00                              |  | 46.00                         | 0.0005                                    | 0.0006   | 0.0006                             |
| 730.50                     | 51.00                              |  | 51.00                         | 0.0006                                    | 0.0007   | 0.0007                             |
| 731.00                     | 66.00                              |  | 66.00                         | 0.0008                                    | 0.0009   | 0.0009                             |
| 731.50                     | 67.00                              |  | 67.00                         | 0.0008                                    | 0.0009   | 0.0009                             |
| 732.00                     | 50.00                              |  | 50.00                         | 0.0006                                    | 0.0007   | 0.0007                             |
| 732.50                     | 53.00                              |  | 53.00                         | 0.0006                                    | 0.0007   | 0.0007                             |
| 733.00                     | 88.00                              |  | 88.00                         | 0.0010                                    | 0.0012   | 0.0012                             |
| 733.50                     | 131.00                             |  | 131.00                        | 0.0015                                    | 0.0018   | 0.0018                             |
| 734.00                     | 159.00                             |  | 159.01                        | 0.0018                                    | 0.0022   | 0.0022                             |
| 734.50                     | 175.00                             |  | 175.01                        | 0.0020                                    | 0.0024   | 0.0024                             |
| 735.00                     | 197.00                             |  | 197.01                        | 0.0023                                    | 0.0027   | 0.0027                             |
| 735.50                     | 185.00                             |  | 185.01                        | 0.0021                                    | 0.0026   | 0.0026                             |
| 736.00                     | 194.00                             |  | 194.01                        | 0.0022                                    | 0.0027   | 0.0027                             |
| 736.50                     | 213.00                             |  | 213.01                        | 0.0024                                    | 0.0029   | 0.0029                             |
| 737.00                     | 224.00                             |  | 224.01                        | 0.0026                                    | 0.0031   | 0.0031                             |
| 737.50                     | 254.00                             |  | 254.01                        | 0.0029                                    | 0.0035   | 0.0035                             |
| 738.00                     | 233.00                             |  | 233.01                        | 0.0027                                    | 0.0032   | 0.0032                             |
| 738.50                     | 211.00                             |  | 211.01                        | 0.0024                                    | 0.0029   | 0.0029                             |
| 739.00                     | 179.00                             |  | 179.01                        | 0.0021                                    | 0.0025   | 0.0025                             |
| 739.50                     | 167.00                             |  | 167.01                        | 0.0019                                    | 0.0023   | 0.0023                             |
| 740.00                     | 139.00                             |  | 139.00                        | 0.0016                                    | 0.0019   | 0.0019                             |
| 740.50                     | 118.00                             |  | 118.00                        | 0.0014                                    | 0.0016   | 0.0016                             |
| 741.00                     | 90.00                              |  | 90.00                         | 0.0010                                    | 0.0012   | 0.0012                             |
| 741.50                     | 80.00                              |  | 80.00                         | 0.0009                                    | 0.0011   | 0.0011                             |
| 742.00                     | 76.00                              |  | 76.00                         | 0.0009                                    | 0.0011   | 0.0011                             |
| 742.50                     | 65.00                              |  | 65.00                         | 0.0007                                    | 0.0009   | 0.0009                             |
| 743.00                     | 58.00                              |  | 58.00                         | 0.0007                                    | 0.0008   | 0.0008                             |
| 743.50                     | 49.00                              |  | 49.00                         | 0.0006                                    | 0.0007   | 0.0007                             |
| 744.00                     | 44.00                              |  | 44.00                         | 0.0005                                    | 0.0006   | 0.0006                             |
| 744.50                     | 51.00                              |  | 51.00                         | 0.0006                                    | 0.0007   | 0.0007                             |
| 745.00                     | 58.00                              |  | 58.00                         | 0.0007                                    | 0.0008   | 0.0008                             |
| 745.50                     | 47.00                              |  | 47.00                         | 0.0005                                    | 0.0007   | 0.0007                             |
| 746.00                     | 43.00                              |  | 43.00                         | 0.0005                                    | 0.0006   | 0.0006                             |
| 746.50                     | 57.00                              |  | 57.00                         | 0.0007                                    | 0.0008   | 0.0008                             |
| 747.00                     | 64.00                              |  | 64.00                         | 0.0007                                    | 0.0009   | 0.0009                             |

Figure 13



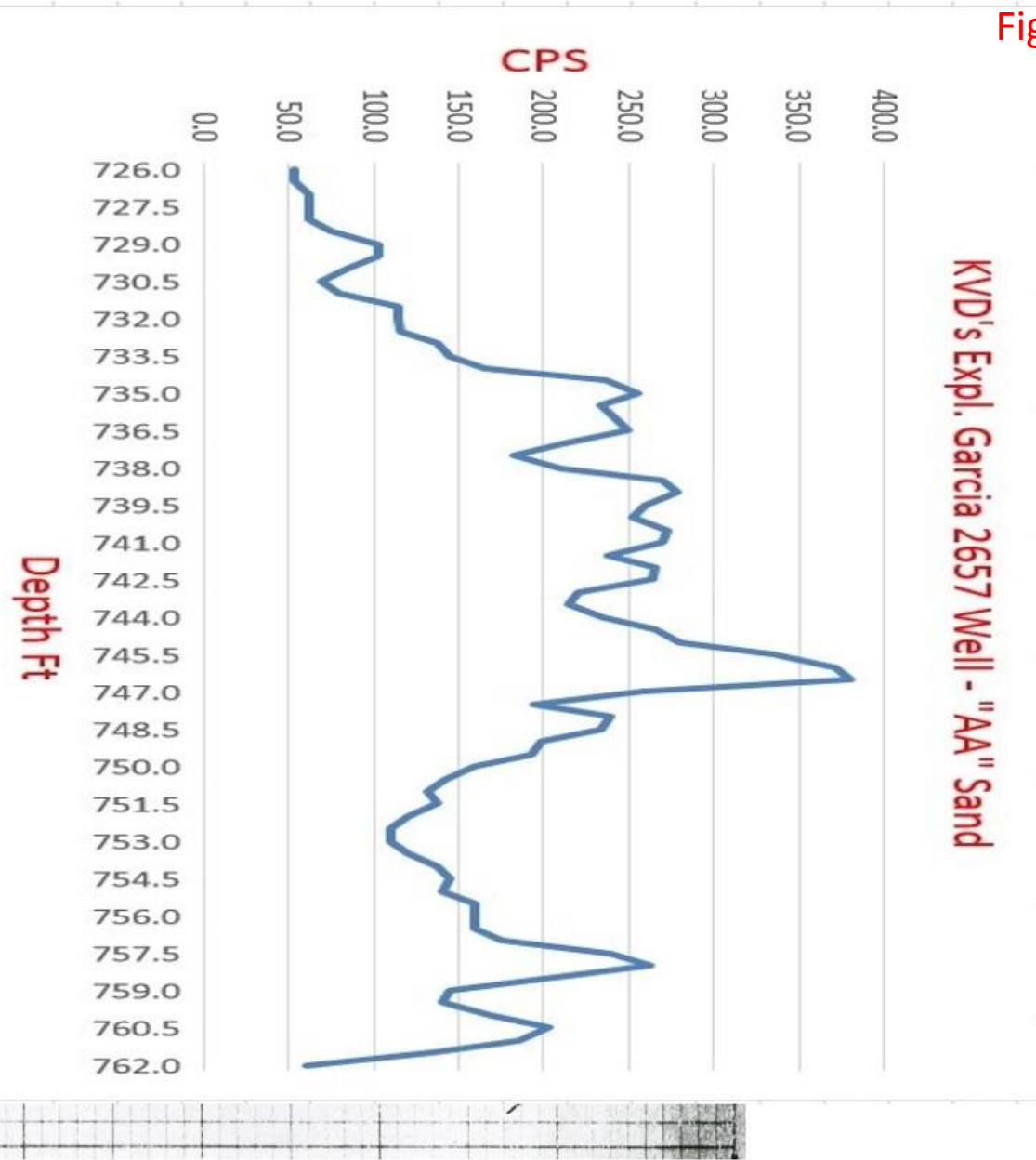
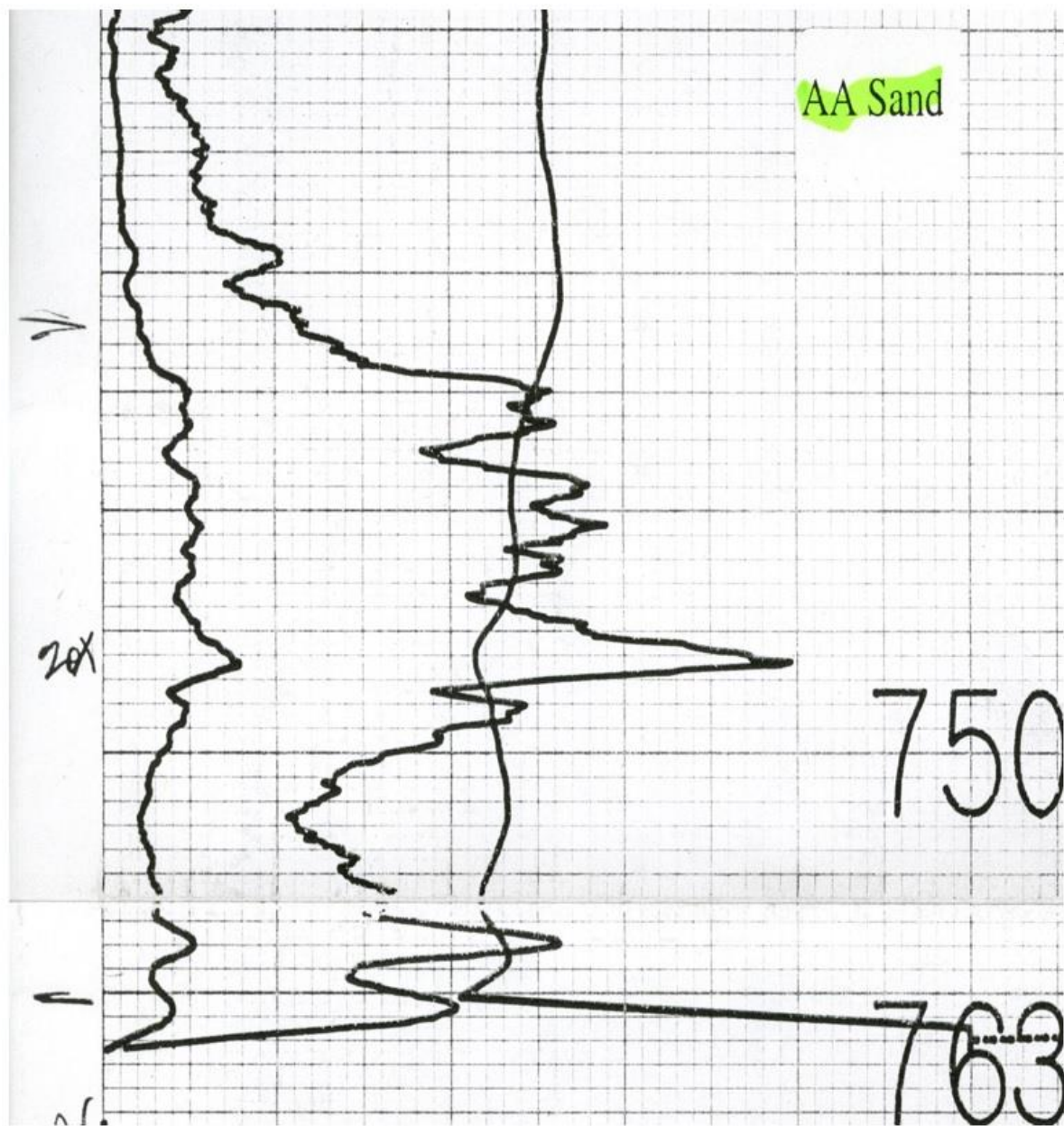
Ore Grade as %U3O8 Comparison

The Assay for the Exploratory Garcia 2657 Well, “AA” Sand, is shown in Figures 14 and 15, and in Table IX.

Figure 15 illustrates the spread between the estimated ore grade values across the “AA” Sand in the Garcia 2657 Well, and the 0.11 %U<sub>3</sub>O<sub>8</sub> and 0.13 %U<sub>3</sub>O<sub>8</sub> curves, the set cut-off values for mining.



Figure 14



KVD's Expl. Garcia 2657 – "AA" Sand – Recorded & Digitized GR Curves Comparison

# ORE GRADE AND GRADE-THICKNESS CALCULATION

## Background to Background Method

Table IX  
(Continues)

| KVDs Garcia 2647 - AA Sand |                                    |  |                               |   |  |                                    |
|----------------------------|------------------------------------|--|-------------------------------|---|--|------------------------------------|
| DEPTH                      | GAMMA-HI<br>CPS<br>PROBE<br>COUNTS |  | GAMMA-HI<br>CPS,<br>CORRECTED | %U3O8<br>RADIOMETRIC<br>GRADE PER<br>UNIT | HOLE<br>SIZE<br>AND<br>WATER<br>CORR.<br>GRADE | STEEL CASING<br>CORRECTED<br>GRADE |
| 726.00                     | 53.00                              |  | 53.00                         | 0.0007                                    | 0.0008   | 0.0008                             |
| 726.50                     | 54.00                              |  | 54.00                         | 0.0007                                    | 0.0008   | 0.0008                             |
| 727.00                     | 62.00                              |  | 62.00                         | 0.0008                                    | 0.0009   | 0.0009                             |
| 727.50                     | 62.00                              |  | 62.00                         | 0.0008                                    | 0.0009   | 0.0009                             |
| 728.00                     | 62.00                              |  | 62.00                         | 0.0008                                    | 0.0009   | 0.0009                             |
| 728.50                     | 75.00                              |  | 75.00                         | 0.0009                                    | 0.0011   | 0.0011                             |
| 729.00                     | 102.00                             |  | 102.00                        | 0.0013                                    | 0.0015   | 0.0015                             |
| 729.50                     | 102.00                             |  | 102.00                        | 0.0013                                    | 0.0015   | 0.0015                             |
| 730.00                     | 85.00                              |  | 85.00                         | 0.0010                                    | 0.0012   | 0.0012                             |
| 730.50                     | 70.00                              |  | 70.00                         | 0.0009                                    | 0.0010   | 0.0010                             |
| 731.00                     | 80.00                              |  | 80.00                         | 0.0010                                    | 0.0012   | 0.0012                             |
| 731.50                     | 115.00                             |  | 115.00                        | 0.0014                                    | 0.0017   | 0.0017                             |
| 732.00                     | 115.00                             |  | 115.00                        | 0.0014                                    | 0.0017   | 0.0017                             |
| 732.50                     | 116.00                             |  | 116.00                        | 0.0014                                    | 0.0017   | 0.0017                             |
| 733.00                     | 138.00                             |  | 138.00                        | 0.0017                                    | 0.0020   | 0.0020                             |
| 733.50                     | 145.00                             |  | 145.01                        | 0.0018                                    | 0.0021   | 0.0021                             |
| 734.00                     | 165.00                             |  | 165.01                        | 0.0020                                    | 0.0024   | 0.0024                             |
| 734.50                     | 237.00                             |  | 237.01                        | 0.0029                                    | 0.0034   | 0.0034                             |
| 735.00                     | 255.00                             |  | 255.02                        | 0.0031                                    | 0.0037   | 0.0037                             |
| 735.50                     | 233.00                             |  | 233.01                        | 0.0029                                    | 0.0034   | 0.0034                             |
| 736.00                     | 243.00                             |  | 243.01                        | 0.0030                                    | 0.0035   | 0.0035                             |
| 736.50                     | 250.00                             |  | 250.02                        | 0.0031                                    | 0.0036   | 0.0036                             |
| 737.00                     | 212.00                             |  | 212.01                        | 0.0026                                    | 0.0031   | 0.0031                             |
| 737.50                     | 183.00                             |  | 183.01                        | 0.0023                                    | 0.0026   | 0.0026                             |
| 738.00                     | 210.00                             |  | 210.01                        | 0.0026                                    | 0.0030   | 0.0030                             |
| 738.50                     | 270.00                             |  | 270.02                        | 0.0033                                    | 0.0039   | 0.0039                             |
| 739.00                     | 278.00                             |  | 278.02                        | 0.0034                                    | 0.0040   | 0.0040                             |
| 739.50                     | 260.00                             |  | 260.02                        | 0.0032                                    | 0.0037   | 0.0037                             |
| 740.00                     | 253.00                             |  | 253.02                        | 0.0031                                    | 0.0036   | 0.0036                             |
| 740.50                     | 273.00                             |  | 273.02                        | 0.0034                                    | 0.0039   | 0.0039                             |
| 741.00                     | 270.00                             |  | 270.02                        | 0.0033                                    | 0.0039   | 0.0039                             |
| 741.50                     | 238.00                             |  | 238.01                        | 0.0029                                    | 0.0034   | 0.0034                             |
| 742.00                     | 265.00                             |  | 265.02                        | 0.0033                                    | 0.0038   | 0.0038                             |
| 742.50                     | 264.00                             |  | 264.02                        | 0.0033                                    | 0.0038   | 0.0038                             |
| 743.00                     | 220.00                             |  | 220.01                        | 0.0027                                    | 0.0032   | 0.0032                             |
| 743.50                     | 215.00                             |  | 215.01                        | 0.0027                                    | 0.0031   | 0.0031                             |
| 744.00                     | 235.00                             |  | 235.01                        | 0.0029                                    | 0.0034   | 0.0034                             |

# ORE GRADE AND GRADE-THICKNESS CALCULATION

## Background to Background Method

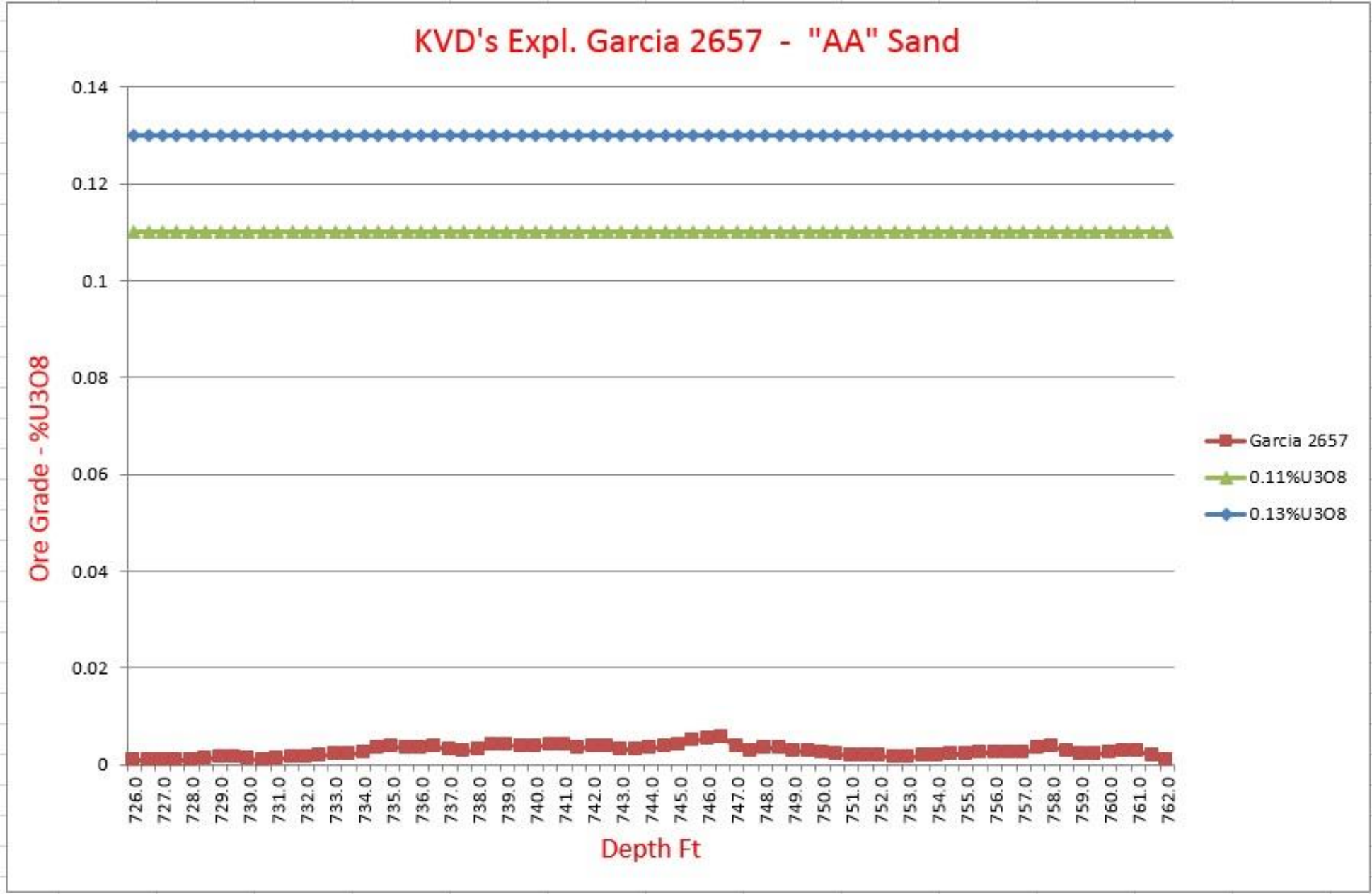
Table IX  
(Concluded)

KVD's Expl. Garcia 2657

|        |        |        |        |        |        |
|--------|--------|--------|--------|--------|--------|
| 744.00 | 235.00 | 235.01 | 0.0029 | 0.0034 | 0.0034 |
| 744.50 | 265.00 | 265.02 | 0.0033 | 0.0038 | 0.0038 |
| 745.00 | 280.00 | 280.02 | 0.0035 | 0.0040 | 0.0040 |
| 745.50 | 335.00 | 335.03 | 0.0041 | 0.0048 | 0.0048 |
| 746.00 | 372.00 | 372.03 | 0.0046 | 0.0054 | 0.0054 |
| 746.50 | 380.00 | 380.04 | 0.0047 | 0.0055 | 0.0055 |
| 747.00 | 260.00 | 260.02 | 0.0032 | 0.0037 | 0.0037 |
| 747.50 | 195.00 | 195.01 | 0.0024 | 0.0028 | 0.0028 |
| 748.00 | 240.00 | 240.01 | 0.0030 | 0.0035 | 0.0035 |
| 748.50 | 234.00 | 234.01 | 0.0029 | 0.0034 | 0.0034 |
| 749.00 | 198.00 | 198.01 | 0.0024 | 0.0029 | 0.0029 |
| 749.50 | 193.00 | 193.01 | 0.0024 | 0.0028 | 0.0028 |
| 750.00 | 160.00 | 160.01 | 0.0020 | 0.0023 | 0.0023 |
| 750.50 | 142.00 | 142.01 | 0.0018 | 0.0020 | 0.0020 |
| 751.00 | 132.00 | 132.00 | 0.0016 | 0.0019 | 0.0019 |
| 751.50 | 137.00 | 137.00 | 0.0017 | 0.0020 | 0.0020 |
| 752.00 | 120.00 | 120.00 | 0.0015 | 0.0017 | 0.0017 |
| 752.50 | 110.00 | 110.00 | 0.0014 | 0.0016 | 0.0016 |
| 753.00 | 110.00 | 110.00 | 0.0014 | 0.0016 | 0.0016 |
| 753.50 | 120.00 | 120.00 | 0.0015 | 0.0017 | 0.0017 |
| 754.00 | 137.00 | 137.00 | 0.0017 | 0.0020 | 0.0020 |
| 754.50 | 145.00 | 145.01 | 0.0018 | 0.0021 | 0.0021 |
| 755.00 | 140.00 | 140.00 | 0.0017 | 0.0020 | 0.0020 |
| 755.50 | 160.00 | 160.01 | 0.0020 | 0.0023 | 0.0023 |
| 756.00 | 160.00 | 160.01 | 0.0020 | 0.0023 | 0.0023 |
| 756.50 | 160.00 | 160.01 | 0.0020 | 0.0023 | 0.0023 |
| 757.00 | 175.00 | 175.01 | 0.0022 | 0.0025 | 0.0025 |
| 757.50 | 240.00 | 240.01 | 0.0030 | 0.0035 | 0.0035 |
| 758.00 | 262.00 | 262.02 | 0.0032 | 0.0038 | 0.0038 |
| 758.50 | 200.00 | 200.01 | 0.0025 | 0.0029 | 0.0029 |
| 759.00 | 145.00 | 145.01 | 0.0018 | 0.0021 | 0.0021 |
| 759.50 | 140.00 | 140.00 | 0.0017 | 0.0020 | 0.0020 |
| 760.00 | 170.00 | 170.01 | 0.0021 | 0.0024 | 0.0024 |
| 760.50 | 203.00 | 203.01 | 0.0025 | 0.0029 | 0.0029 |
| 761.00 | 185.00 | 185.01 | 0.0023 | 0.0027 | 0.0027 |
| 761.50 | 135.00 | 135.00 | 0.0017 | 0.0019 | 0.0019 |
| 762.00 | 60.00  | 60.00  | 0.0007 | 0.0009 | 0.0009 |



Figure 15



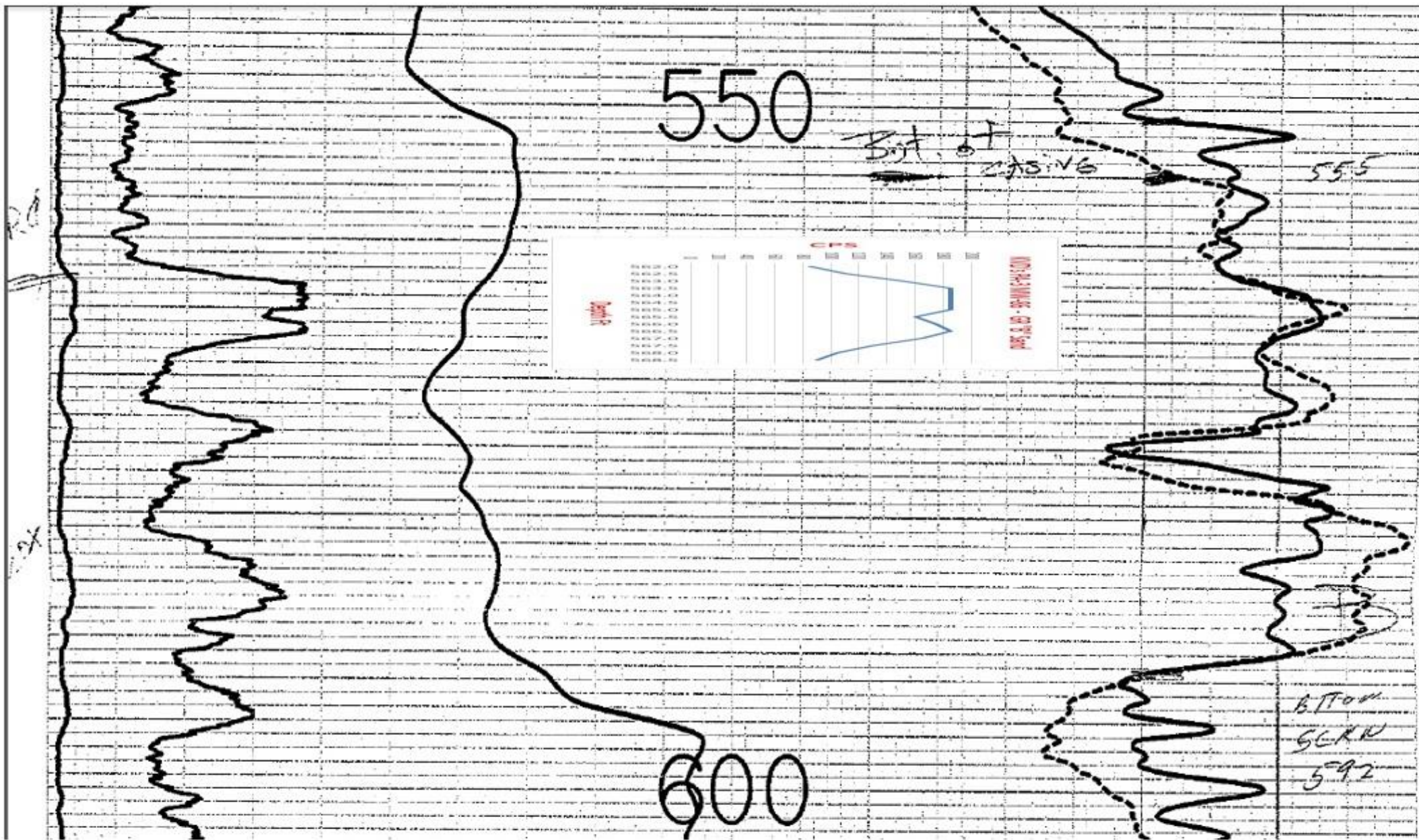
Ore Grade as %U3O8 Comparison



The Assay for KVD's PA-3 MW-86, "B" Sand, is shown in Figures 16 and 17, and in Table X.

Figure 17 illustrates the spread between the estimated ore grade values across the "B" Sand in the MW-86 Well, and the 0.11 %U<sub>3</sub>O<sub>8</sub> and 0.13 %U<sub>3</sub>O<sub>8</sub> curves, the set cut-off values for mining.

Figure 16



KVD's PA-3 MW86 – "B" Sand – GR Recorded & Digitized Curves Comparison

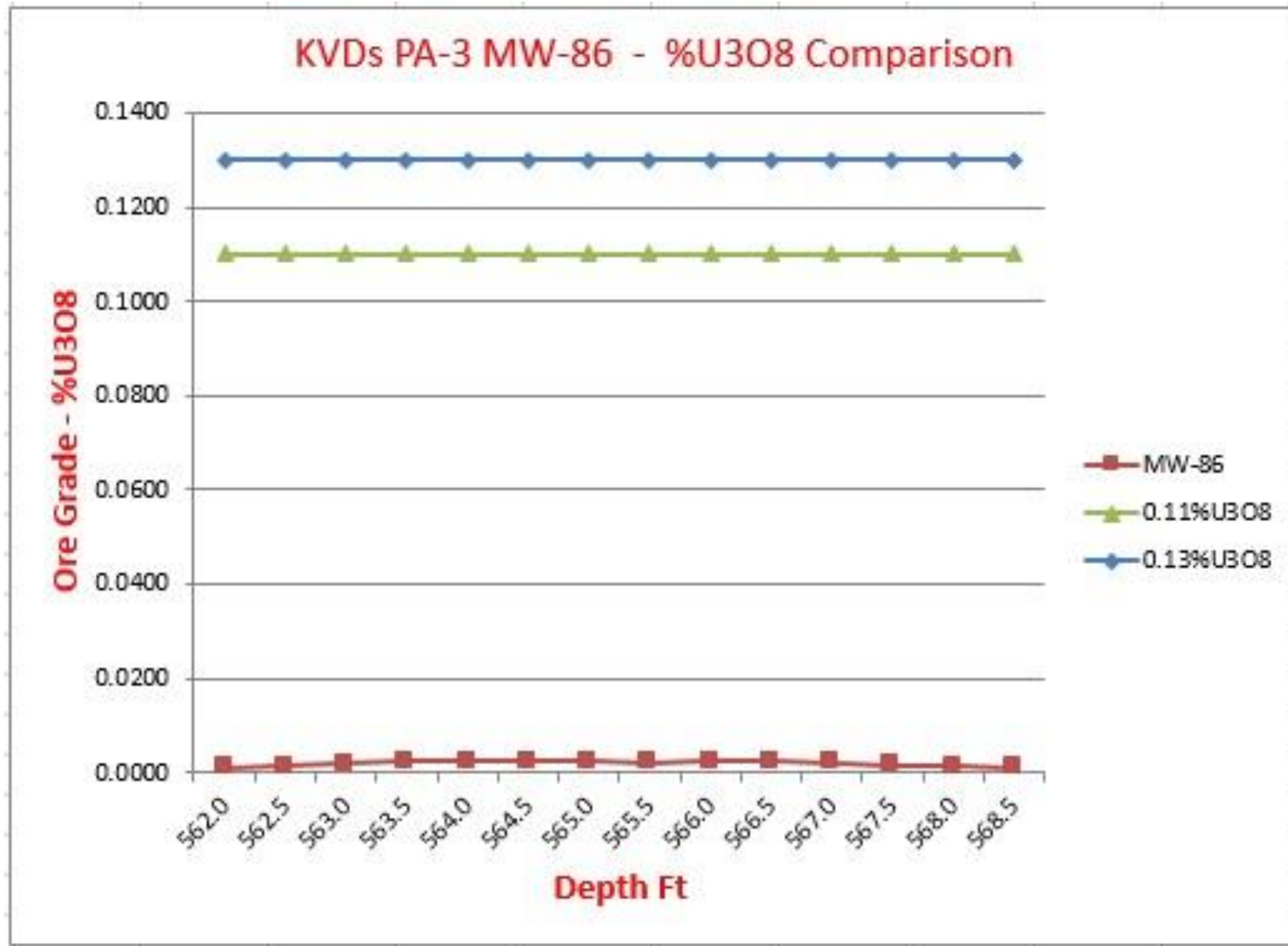
Table X

**ORE GRADE AND GRADE-THICKNESS CALCULATION**  
**Background to Background Method**

| KVDs PA-3 MW-86 |                                    |  |                               |   |  |                                    |  |
|-----------------|------------------------------------|--|-------------------------------|---|--|------------------------------------|--|
| DEPTH           | GAMMA-HI<br>CPS<br>PROBE<br>COUNTS |  | GAMMA-HI<br>CPS,<br>CORRECTED | %U3O8<br>RADIOMETRIC<br>GRADE PER<br>UNIT | HOLE<br>SIZE<br>AND<br>WATER<br>CORR.<br>GRADE | STEEL CASING<br>CORRECTED<br>GRADE |  |
| 562.00          | 85.00                              |  | 85.00                         | 0.0010                                    | 0.0011   | 0.0011                             |  |
| 562.50          | 110.00                             |  | 110.00                        | 0.0013                                    | 0.0015   | 0.0015                             |  |
| 563.00          | 150.00                             |  | 150.01                        | 0.0017                                    | 0.0020   | 0.0020                             |  |
| 563.50          | 185.00                             |  | 185.01                        | 0.0021                                    | 0.0025   | 0.0025                             |  |
| 564.00          | 185.00                             |  | 185.01                        | 0.0021                                    | 0.0025   | 0.0025                             |  |
| 564.50          | 185.00                             |  | 185.01                        | 0.0021                                    | 0.0025   | 0.0025                             |  |
| 565.00          | 185.00                             |  | 185.01                        | 0.0021                                    | 0.0025   | 0.0025                             |  |
| 565.50          | 160.00                             |  | 160.01                        | 0.0018                                    | 0.0021   | 0.0021                             |  |
| 566.00          | 175.00                             |  | 175.01                        | 0.0020                                    | 0.0023   | 0.0023                             |  |
| 566.50          | 185.00                             |  | 185.01                        | 0.0021                                    | 0.0025   | 0.0025                             |  |
| 567.00          | 165.00                             |  | 165.01                        | 0.0019                                    | 0.0022   | 0.0022                             |  |
| 567.50          | 130.00                             |  | 130.00                        | 0.0015                                    | 0.00174  | 0.0017                             |  |
| 568.00          | 105.00                             |  | 105.00                        | 0.0012                                    | 0.0014   | 0.0014                             |  |
| 568.50          | 90.00                              |  | 90.00                         | 0.0010                                    | 0.0012   | 0.0012                             |  |



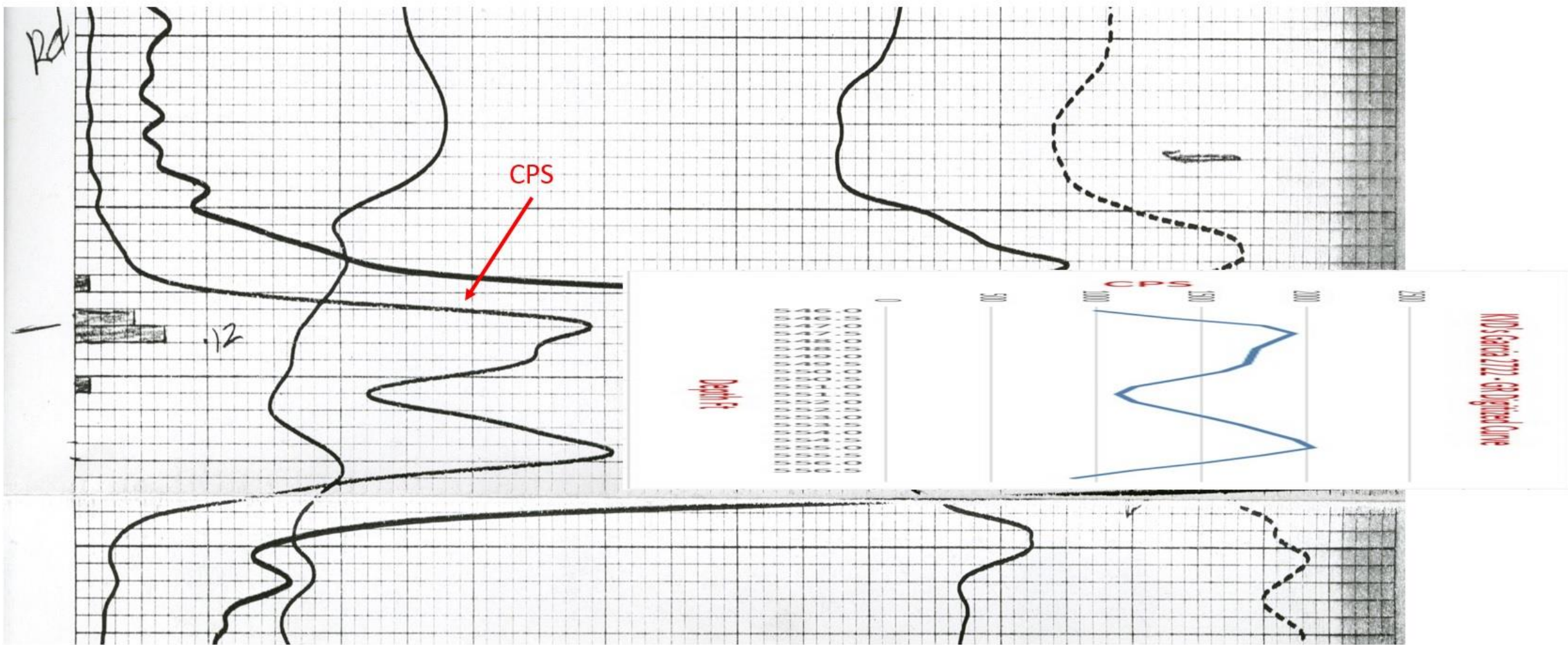
Figure 17





The Assay for KVD's Exploratory Garcia 2722, "B" Sand, is shown in Figures 18 and 19, and in Table XI.

Figure 19 illustrates the spread between the estimated ore grade values across the "B" Sand in the Garcia 2722 Well, and the 0.11 %U<sub>3</sub>O<sub>8</sub> and 0.13 %U<sub>3</sub>O<sub>8</sub> curves, the set cut-off values for mining.



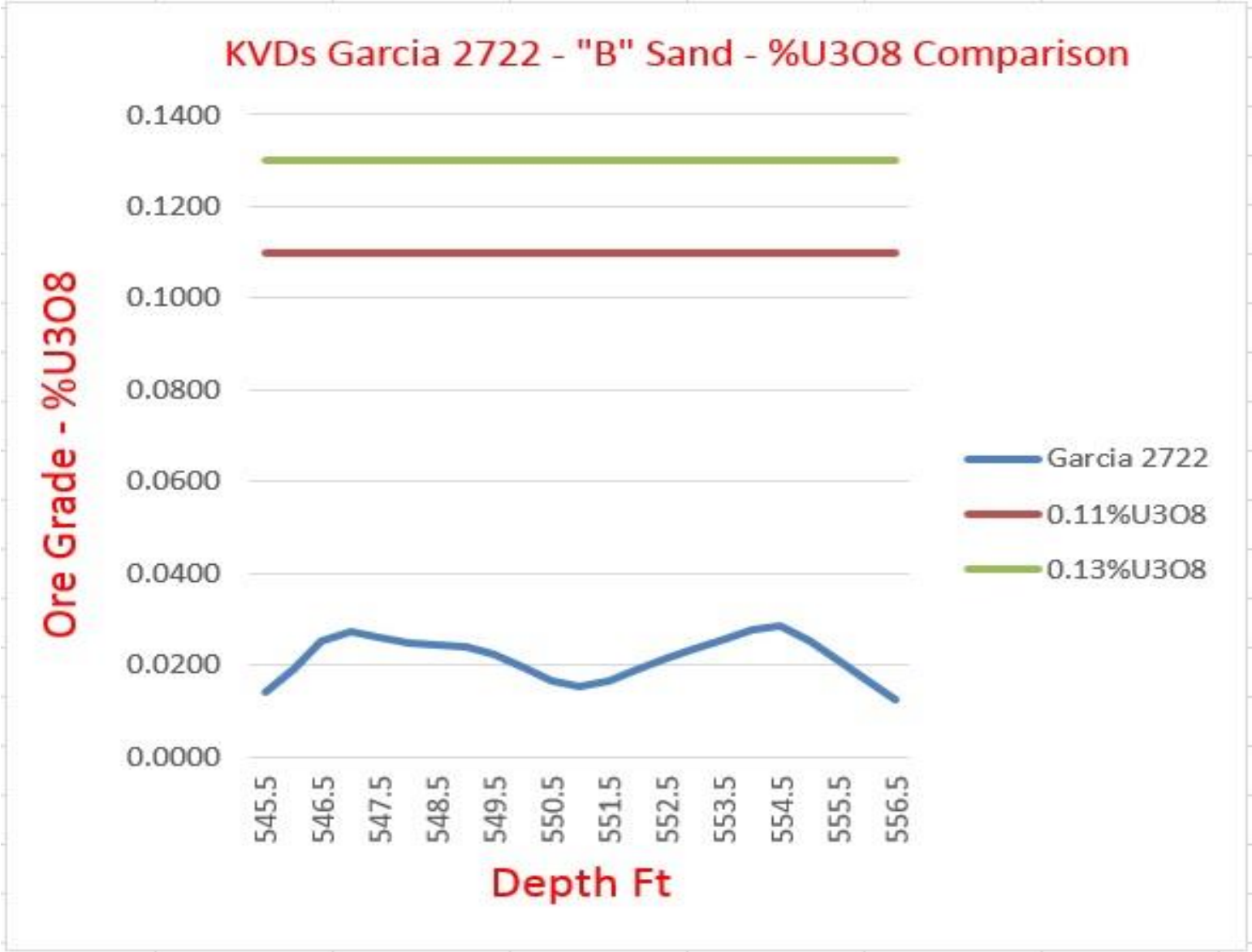
KVD's Exploratory Garcia 2722 Well - "B" Sand – GR Recorded & Digitized Curves Comparison

**ORE GRADE AND GRADE-THICKNESS CALCULATION**  
Background to Background Method

Table XI

| KVDs Garcia 2722 - B Sand |                                    |  |                               |   |  |                                    |
|---------------------------|------------------------------------|--|-------------------------------|---|--|------------------------------------|
| DEPTH                     | GAMMA-HI<br>CPS<br>PROBE<br>COUNTS |  | GAMMA-HI<br>CPS,<br>CORRECTED | %U3O8<br>RADIOMETRIC<br>GRADE PER<br>UNIT | HOLE<br>SIZE<br>AND<br>WATER<br>CORR.<br>GRADE | STEEL CASING<br>CORRECTED<br>GRADE |
| 545.50                    | 1003.33                            |  | 1003.58                       | 0.0121                                    | 0.0141   | 0.0141                             |
| 546.00                    | 1353.33                            |  | 1353.78                       | 0.0163                                    | 0.0190   | 0.0190                             |
| 546.50                    | 1796.67                            |  | 1797.46                       | 0.0216                                    | 0.0253   | 0.0253                             |
| 547.00                    | 1943.33                            |  | 1944.26                       | 0.0234                                    | 0.0273   | 0.0273                             |
| 547.50                    | 1856.67                            |  | 1857.51                       | 0.0224                                    | 0.0261   | 0.0261                             |
| 548.00                    | 1763.33                            |  | 1764.10                       | 0.0212                                    | 0.0248   | 0.0248                             |
| 548.50                    | 1743.33                            |  | 1744.08                       | 0.0210                                    | 0.0245   | 0.0245                             |
| 549.00                    | 1716.67                            |  | 1717.39                       | 0.0207                                    | 0.0241   | 0.0241                             |
| 549.50                    | 1606.67                            |  | 1607.30                       | 0.0194                                    | 0.0226   | 0.0226                             |
| 550.00                    | 1393.33                            |  | 1393.81                       | 0.0168                                    | 0.0196   | 0.0196                             |
| 550.50                    | 1190.00                            |  | 1190.35                       | 0.0143                                    | 0.0167   | 0.0167                             |
| 551.00                    | 1106.67                            |  | 1106.97                       | 0.0133                                    | 0.0156   | 0.0156                             |
| 551.50                    | 1190.00                            |  | 1190.35                       | 0.0143                                    | 0.0167   | 0.0167                             |
| 552.00                    | 1353.33                            |  | 1353.78                       | 0.0163                                    | 0.0190   | 0.0190                             |
| 552.50                    | 1536.67                            |  | 1537.25                       | 0.0185                                    | 0.0216   | 0.0216                             |
| 553.00                    | 1690.00                            |  | 1690.70                       | 0.0204                                    | 0.0238   | 0.0238                             |
| 553.50                    | 1823.33                            |  | 1824.15                       | 0.0220                                    | 0.0256   | 0.0256                             |
| 554.00                    | 1960.00                            |  | 1960.94                       | 0.0236                                    | 0.0276   | 0.0276                             |
| 554.50                    | 2033.33                            |  | 2034.35                       | 0.0245                                    | 0.0286   | 0.0286                             |
| 555.00                    | 1803.33                            |  | 1804.13                       | 0.0217                                    | 0.0253   | 0.0253                             |
| 555.50                    | 1506.67                            |  | 1507.22                       | 0.0181                                    | 0.0212   | 0.0212                             |
| 556.00                    | 1180.00                            |  | 1180.34                       | 0.0142                                    | 0.0166   | 0.0166                             |
| 556.50                    | 900.00                             |  | 900.20                        | 0.0108                                    | 0.0126   | 0.0126                             |

Figure 19

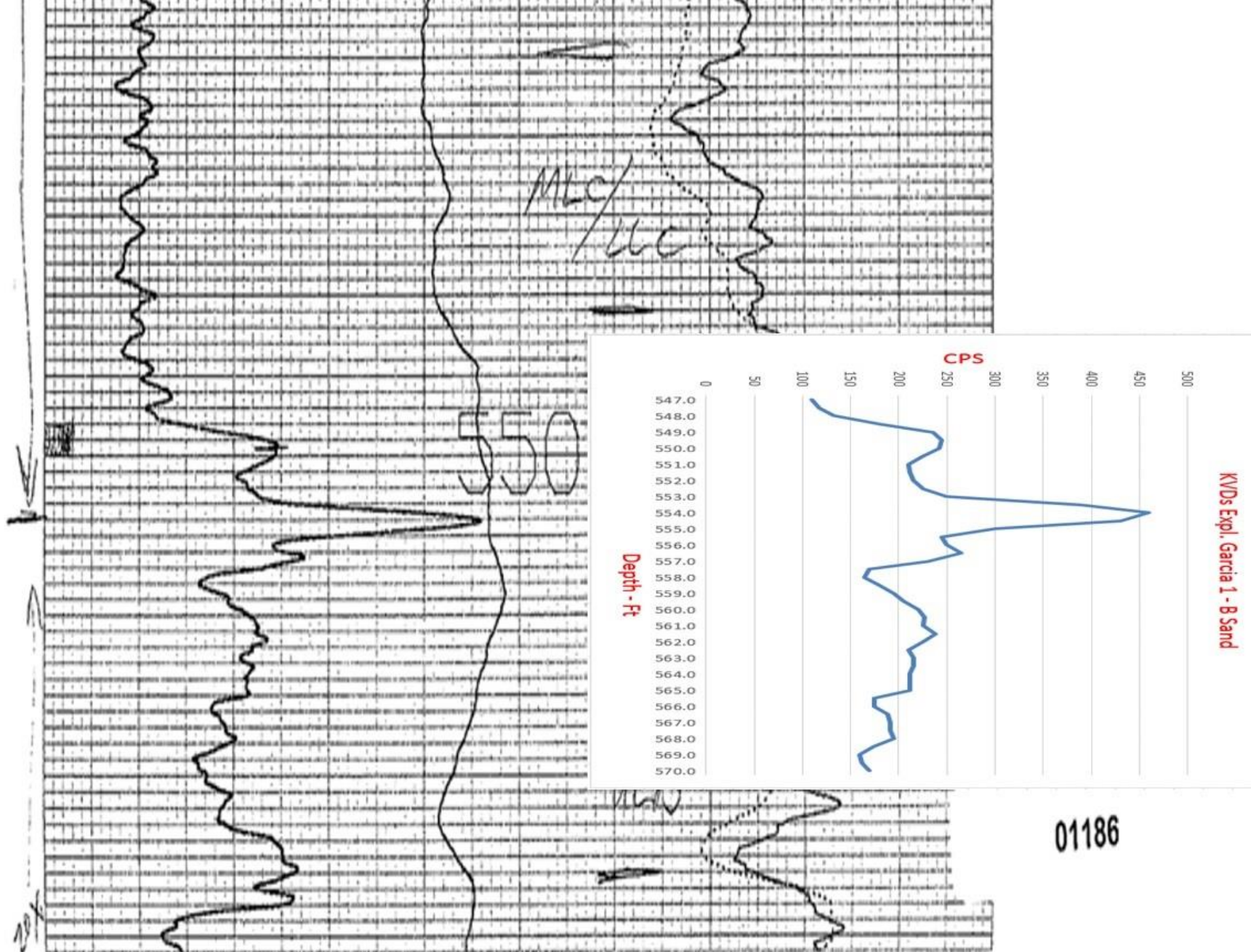




The Assay for KVD's Exploratory Garcia 1, "B" Sand, is shown in Figures 20 and 21, and in Table XII.

Figure 21 illustrates the spread between the estimated ore grade values across the "B" Sand in the Garcia 1 Well, and the 0.11 %U<sub>3</sub>O<sub>8</sub> and 0.13 %U<sub>3</sub>O<sub>8</sub> curves, the set cut-off values for mining.

Figure 20



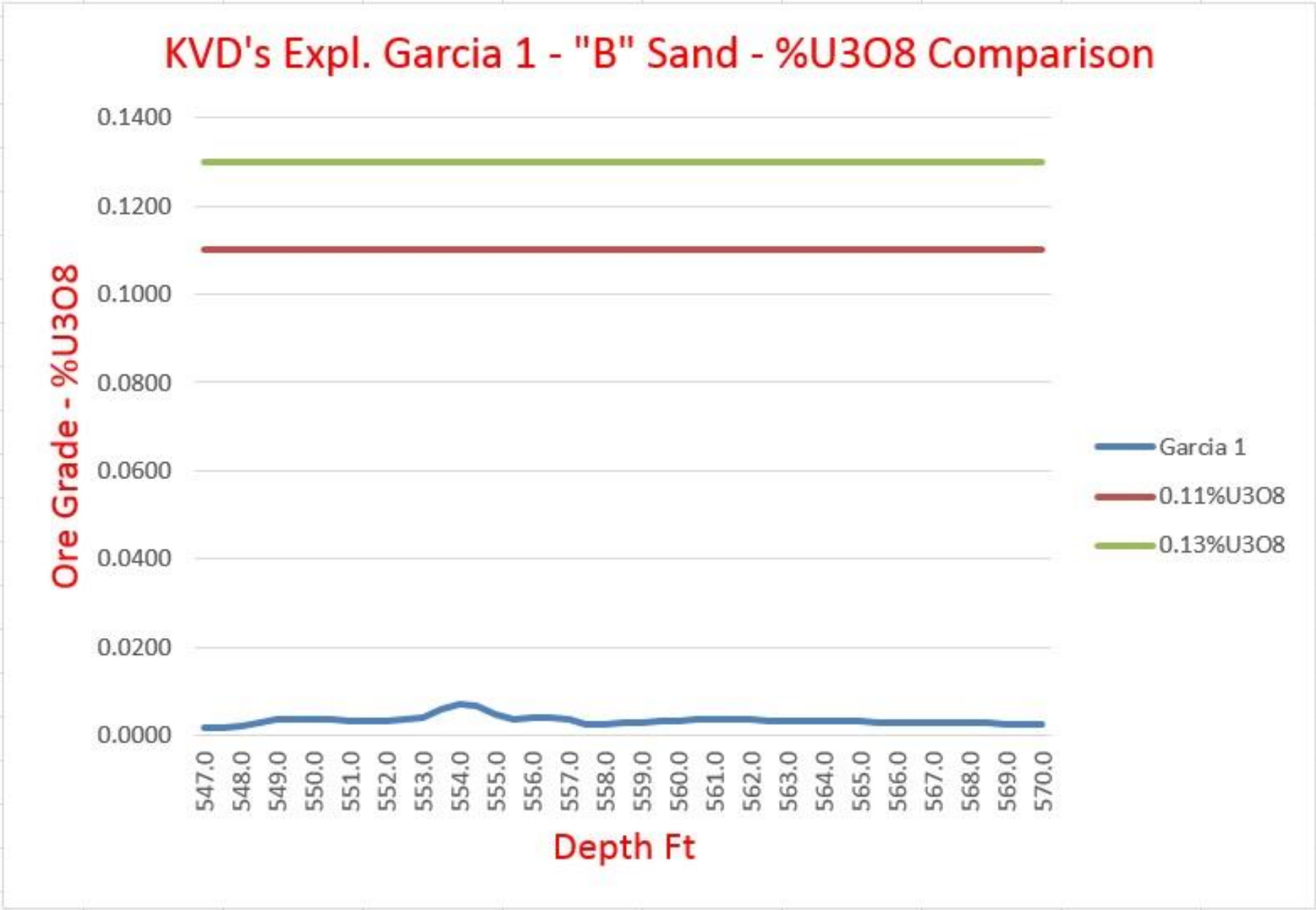
KVD's ExplG1 – "B" Sand - GR Log - Recorded & Digitized Curves Comparison

Table XII

ORE GRADE AND GRADE-THICKNESS CALCULATION  
Background to Background Method

| KVDs Expl. Garcia 1 |                                    |  |                               |  |  |                                    |
|---------------------|------------------------------------|--|-------------------------------|--|--|------------------------------------|
| DEPTH               | GAMMA-HI<br>CPS<br>PROBE<br>COUNTS |  | GAMMA-HI<br>CPS,<br>CORRECTED | %U3O8<br>RADIOMETRI<br>C GRADE PER<br>UNIT | HOLE<br>SIZE<br>AND<br>WATER<br>CORR.<br>GRADE | STEEL CASING<br>CORRECTED<br>GRADE |
| 547.00              | 110.00                             |  | 110.00                        | 0.0015                                     | 0.0017   | 0.0017                             |
| 547.50              | 117.00                             |  | 117.00                        | 0.0016                                     | 0.0018   | 0.0018                             |
| 548.00              | 132.00                             |  | 132.00                        | 0.0018                                     | 0.0020   | 0.0020                             |
| 548.50              | 180.00                             |  | 180.01                        | 0.0024                                     | 0.0028   | 0.0028                             |
| 549.00              | 235.00                             |  | 235.01                        | 0.0031                                     | 0.0036   | 0.0036                             |
| 549.50              | 245.00                             |  | 245.01                        | 0.0033                                     | 0.0038   | 0.0038                             |
| 550.00              | 242.00                             |  | 242.01                        | 0.0032                                     | 0.0038   | 0.0038                             |
| 550.50              | 225.00                             |  | 225.01                        | 0.0030                                     | 0.0035   | 0.0035                             |
| 551.00              | 210.00                             |  | 210.01                        | 0.0028                                     | 0.0033   | 0.0033                             |
| 551.50              | 212.00                             |  | 212.01                        | 0.0028                                     | 0.0033   | 0.0033                             |
| 552.00              | 215.00                             |  | 215.01                        | 0.0029                                     | 0.0033   | 0.0033                             |
| 552.50              | 225.00                             |  | 225.01                        | 0.0030                                     | 0.0035   | 0.0035                             |
| 553.00              | 250.00                             |  | 250.01                        | 0.0033                                     | 0.0039   | 0.0039                             |
| 553.50              | 390.00                             |  | 390.03                        | 0.0052                                     | 0.0061   | 0.0061                             |
| 554.00              | 460.00                             |  | 460.05                        | 0.0061                                     | 0.0071   | 0.0071                             |
| 554.50              | 430.00                             |  | 430.04                        | 0.0057                                     | 0.0067   | 0.0067                             |
| 555.00              | 300.00                             |  | 300.02                        | 0.0040                                     | 0.0047   | 0.0047                             |
| 555.50              | 245.00                             |  | 245.01                        | 0.0033                                     | 0.0038   | 0.0038                             |
| 556.00              | 250.00                             |  | 250.01                        | 0.0033                                     | 0.0039   | 0.0039                             |
| 556.50              | 265.00                             |  | 265.02                        | 0.0035                                     | 0.0041   | 0.0041                             |
| 557.00              | 230.00                             |  | 230.01                        | 0.0031                                     | 0.0036   | 0.0036                             |
| 557.50              | 170.00                             |  | 170.01                        | 0.0023                                     | 0.0026   | 0.0026                             |
| 558.00              | 165.00                             |  | 165.01                        | 0.0022                                     | 0.0026   | 0.0026                             |
| 558.50              | 180.00                             |  | 180.01                        | 0.0024                                     | 0.0028   | 0.0028                             |
| 559.00              | 195.00                             |  | 195.01                        | 0.0026                                     | 0.0030   | 0.0030                             |
| 559.50              | 205.00                             |  | 205.01                        | 0.0027                                     | 0.0032   | 0.0032                             |
| 560.00              | 220.00                             |  | 220.01                        | 0.0029                                     | 0.0034   | 0.0034                             |
| 560.50              | 227.00                             |  | 227.01                        | 0.0030                                     | 0.0035   | 0.0035                             |
| 561.00              | 225.00                             |  | 225.01                        | 0.0030                                     | 0.0035   | 0.0035                             |
| 561.50              | 238.00                             |  | 238.01                        | 0.0032                                     | 0.0037   | 0.0037                             |
| 562.00              | 225.00                             |  | 225.01                        | 0.0030                                     | 0.0035   | 0.0035                             |
| 562.50              | 210.00                             |  | 210.01                        | 0.0028                                     | 0.0033   | 0.0033                             |
| 563.00              | 215.00                             |  | 215.01                        | 0.0029                                     | 0.0033   | 0.0033                             |
| 563.50              | 215.00                             |  | 215.01                        | 0.0029                                     | 0.0033   | 0.0033                             |
| 564.00              | 212.00                             |  | 212.01                        | 0.0028                                     | 0.0033   | 0.0033                             |
| 564.50              | 212.00                             |  | 212.01                        | 0.0028                                     | 0.0033   | 0.0033                             |
| 565.00              | 212.00                             |  | 212.01                        | 0.0028                                     | 0.0033   | 0.0033                             |
| 565.50              | 175.00                             |  | 175.01                        | 0.0023                                     | 0.0027   | 0.0027                             |
| 566.00              | 175.00                             |  | 175.01                        | 0.0023                                     | 0.0027   | 0.0027                             |
| 566.50              | 188.00                             |  | 188.01                        | 0.0025                                     | 0.0029   | 0.0029                             |
| 567.00              | 191.00                             |  | 191.01                        | 0.0026                                     | 0.0030   | 0.0030                             |
| 567.50              | 191.00                             |  | 191.01                        | 0.0026                                     | 0.0030   | 0.0030                             |
| 568.00              | 195.00                             |  | 195.01                        | 0.0026                                     | 0.0030   | 0.0030                             |
| 568.50              | 175.00                             |  | 175.01                        | 0.0023                                     | 0.0027   | 0.0027                             |
| 569.00              | 159.00                             |  | 159.01                        | 0.0021                                     | 0.0025   | 0.0025                             |
| 569.50              | 162.00                             |  | 162.01                        | 0.0022                                     | 0.0025   | 0.0025                             |
| 570.00              | 170.00                             |  | 170.01                        | 0.0023                                     | 0.0026   | 0.0026                             |

Figure 21

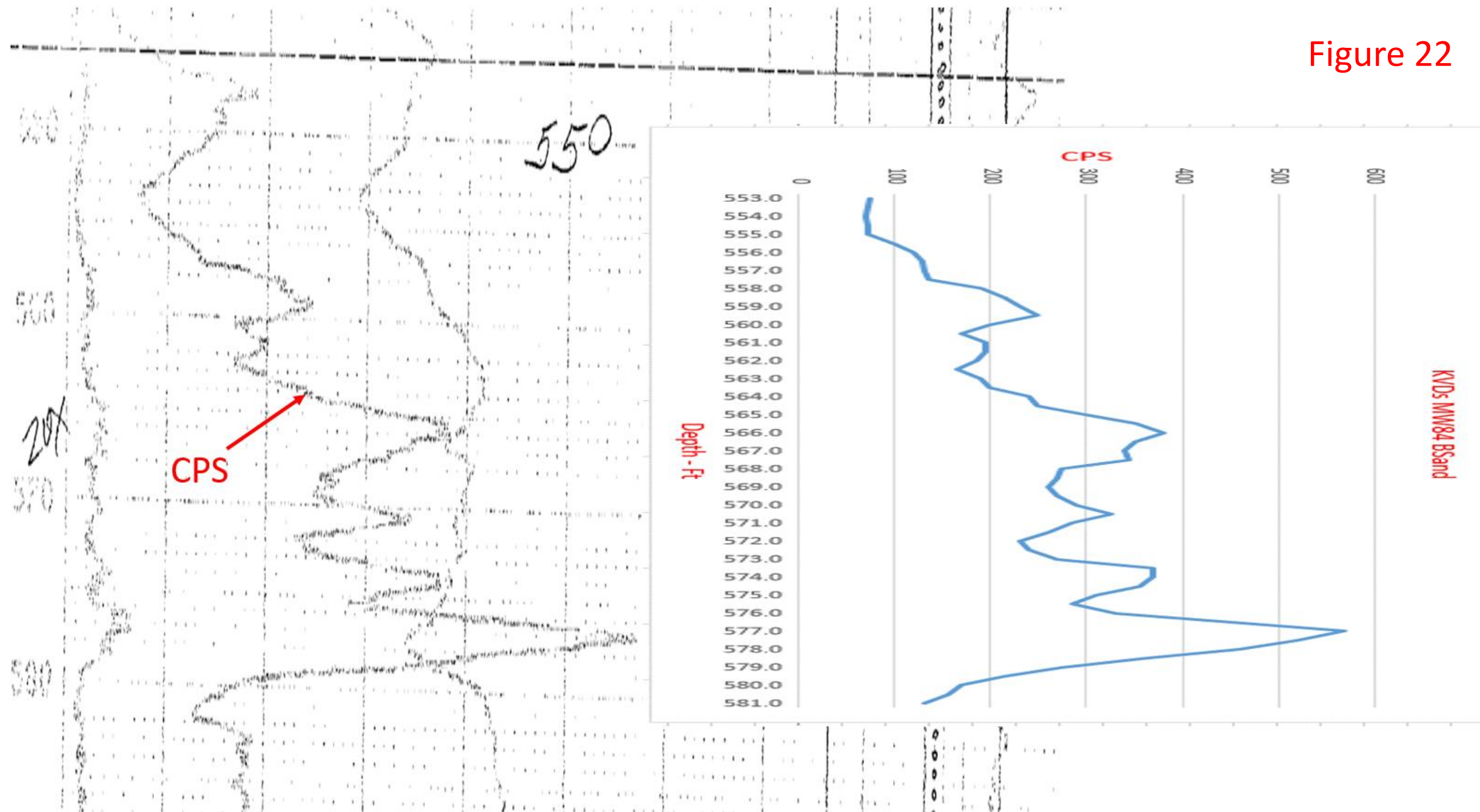




The Assay for KVD's PA-3 MW84, "B" Sand, is shown in Figures 22 and 23, and in Table XIII.

Figure 23 illustrates the spread between the estimated ore grade values across the "B" Sand in the PA-3 MW84 Well, and the 0.11 %U<sub>3</sub>O<sub>8</sub> and 0.13 %U<sub>3</sub>O<sub>8</sub> curves, the set cut-off values for mining.

Figure 22



KVD PA-3's MW84 - "B" Sand - GR Log - Recorded & Digitized Curves Comparison

ORE GRADE AND GRADE-THICKNESS CALCULATION  
Background to Background Method

Table XIII  
(Continues)

| KVDs PA-3 MW-84 |                                    |  |                               |   |  |                                    |
|-----------------|------------------------------------|--|-------------------------------|---|--|------------------------------------|
| DEPTH           | GAMMA-HI<br>CPS<br>PROBE<br>COUNTS |  | GAMMA-HI<br>CPS,<br>CORRECTED | %U3O8<br>RADIOMETRIC<br>GRADE PER<br>UNIT | HOLE<br>SIZE<br>AND<br>WATER<br>CORR.<br>GRADE | STEEL CASING<br>CORRECTED<br>GRADE |
| 553.00          | 75.00                              |  | 75.00                         | 0.0008                                    | 0.0010   | 0.0010                             |
| 553.50          | 73.00                              |  | 73.00                         | 0.0008                                    | 0.0010   | 0.0010                             |
| 554.00          | 69.00                              |  | 69.00                         | 0.0007                                    | 0.0009   | 0.0009                             |
| 554.50          | 73.00                              |  | 73.00                         | 0.0008                                    | 0.0010   | 0.0010                             |
| 555.00          | 73.00                              |  | 73.00                         | 0.0008                                    | 0.0010   | 0.0010                             |
| 555.50          | 100.00                             |  | 100.00                        | 0.0011                                    | 0.0013   | 0.0013                             |
| 556.00          | 120.00                             |  | 120.00                        | 0.0013                                    | 0.0016   | 0.0016                             |
| 556.50          | 128.00                             |  | 128.00                        | 0.0014                                    | 0.0017   | 0.0017                             |
| 557.00          | 130.00                             |  | 130.00                        | 0.0014                                    | 0.0017   | 0.0017                             |
| 557.50          | 135.00                             |  | 135.00                        | 0.0014                                    | 0.0018   | 0.0018                             |
| 558.00          | 190.00                             |  | 190.01                        | 0.0020                                    | 0.0025   | 0.0025                             |
| 558.50          | 215.00                             |  | 215.01                        | 0.0023                                    | 0.0029   | 0.0029                             |
| 559.00          | 230.00                             |  | 230.01                        | 0.0025                                    | 0.0031   | 0.0031                             |
| 559.50          | 250.00                             |  | 250.02                        | 0.0027                                    | 0.0033   | 0.0033                             |
| 560.00          | 200.00                             |  | 200.01                        | 0.0021                                    | 0.0027   | 0.0027                             |
| 560.50          | 170.00                             |  | 170.01                        | 0.0018                                    | 0.0023   | 0.0023                             |
| 561.00          | 195.00                             |  | 195.01                        | 0.0021                                    | 0.0026   | 0.0026                             |
| 561.50          | 195.00                             |  | 195.01                        | 0.0021                                    | 0.0026   | 0.0026                             |
| 562.00          | 185.00                             |  | 185.01                        | 0.0020                                    | 0.0025   | 0.0025                             |
| 562.50          | 165.00                             |  | 165.01                        | 0.0018                                    | 0.0022   | 0.0022                             |
| 563.00          | 190.00                             |  | 190.01                        | 0.0020                                    | 0.0025   | 0.0025                             |
| 563.50          | 200.00                             |  | 200.01                        | 0.0021                                    | 0.0027   | 0.0027                             |
| 564.00          | 240.00                             |  | 240.02                        | 0.0026                                    | 0.0032   | 0.0032                             |
| 564.50          | 250.00                             |  | 250.02                        | 0.0027                                    | 0.0033   | 0.0033                             |
| 565.00          | 300.00                             |  | 300.02                        | 0.0032                                    | 0.0040   | 0.0040                             |
| 565.50          | 350.00                             |  | 350.03                        | 0.0037                                    | 0.0047   | 0.0047                             |
| 566.00          | 380.00                             |  | 380.04                        | 0.0041                                    | 0.0051   | 0.0051                             |

# ORE GRADE AND GRADE-THICKNESS CALCULATION

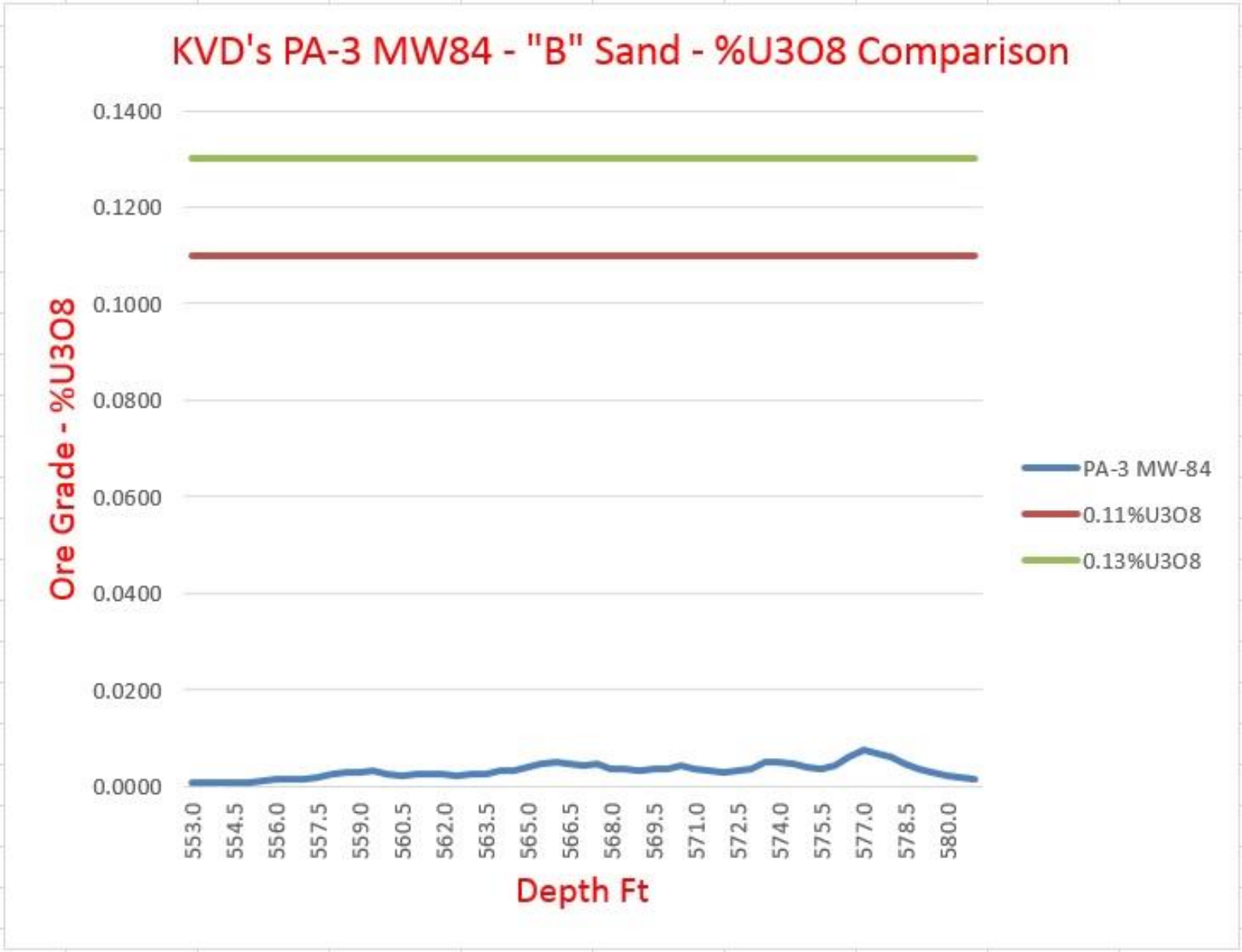
## Background to Background Method

Table XIII  
(Concluded)

| KVD's PA-3 MW84 |        |        |        |        |        |  |
|-----------------|--------|--------|--------|--------|--------|--|
| 566.50          | 350.00 | 350.03 | 0.0037 | 0.0047 | 0.0047 |  |
| 567.00          | 340.00 | 340.03 | 0.0036 | 0.0045 | 0.0045 |  |
| 567.50          | 345.00 | 345.03 | 0.0037 | 0.0046 | 0.0046 |  |
| 568.00          | 275.00 | 275.02 | 0.0029 | 0.0037 | 0.0037 |  |
| 568.50          | 270.00 | 270.02 | 0.0029 | 0.0036 | 0.0036 |  |
| 569.00          | 260.00 | 260.02 | 0.0028 | 0.0035 | 0.0035 |  |
| 569.50          | 270.00 | 270.02 | 0.0029 | 0.0036 | 0.0036 |  |
| 570.00          | 290.00 | 290.02 | 0.0031 | 0.0039 | 0.0039 |  |
| 570.50          | 325.00 | 325.03 | 0.0035 | 0.0043 | 0.0043 |  |
| 571.00          | 285.00 | 285.02 | 0.0030 | 0.0038 | 0.0038 |  |
| 571.50          | 260.00 | 260.02 | 0.0028 | 0.0035 | 0.0035 |  |
| 572.00          | 230.00 | 230.01 | 0.0025 | 0.0031 | 0.0031 |  |
| 572.50          | 240.00 | 240.02 | 0.0026 | 0.0032 | 0.0032 |  |
| 573.00          | 270.00 | 270.02 | 0.0029 | 0.0036 | 0.0036 |  |
| 573.50          | 370.00 | 370.04 | 0.0040 | 0.0049 | 0.0049 |  |
| 574.00          | 370.00 | 370.04 | 0.0040 | 0.0049 | 0.0049 |  |
| 574.50          | 355.00 | 355.03 | 0.0038 | 0.0047 | 0.0047 |  |
| 575.00          | 310.00 | 310.03 | 0.0033 | 0.0041 | 0.0041 |  |
| 575.50          | 285.00 | 285.02 | 0.0030 | 0.0038 | 0.0038 |  |
| 576.00          | 330.00 | 330.03 | 0.0035 | 0.0044 | 0.0044 |  |
| 576.50          | 450.00 | 450.05 | 0.0048 | 0.0060 | 0.0060 |  |
| 577.00          | 570.00 | 570.09 | 0.0061 | 0.0076 | 0.0076 |  |
| 577.50          | 520.00 | 520.07 | 0.0056 | 0.0069 | 0.0069 |  |
| 578.00          | 460.00 | 460.06 | 0.0049 | 0.0061 | 0.0061 |  |
| 578.50          | 365.00 | 365.04 | 0.0039 | 0.0049 | 0.0049 |  |
| 579.00          | 275.00 | 275.02 | 0.0029 | 0.0037 | 0.0037 |  |
| 579.50          | 215.00 | 215.01 | 0.0023 | 0.0029 | 0.0029 |  |
| 580.00          | 170.00 | 170.01 | 0.0018 | 0.0023 | 0.0023 |  |
| 580.50          | 155.00 | 155.01 | 0.0017 | 0.0021 | 0.0021 |  |
| 581.00          | 130.00 | 130.00 | 0.0014 | 0.0017 | 0.0017 |  |



Figure 23



The Assay for KVD's Exploratory Garcia 1607, "B" Sand, is shown in Figures 24 and 25, and in Table XIV.

Figure 25 illustrates the spread between the estimated ore grade values across the "B" Sand in the Garcia 1607 Well, and the 0.11 %U<sub>3</sub>O<sub>8</sub> and 0.13 %U<sub>3</sub>O<sub>8</sub> curves, the set cut-off values for mining.

Figure 24

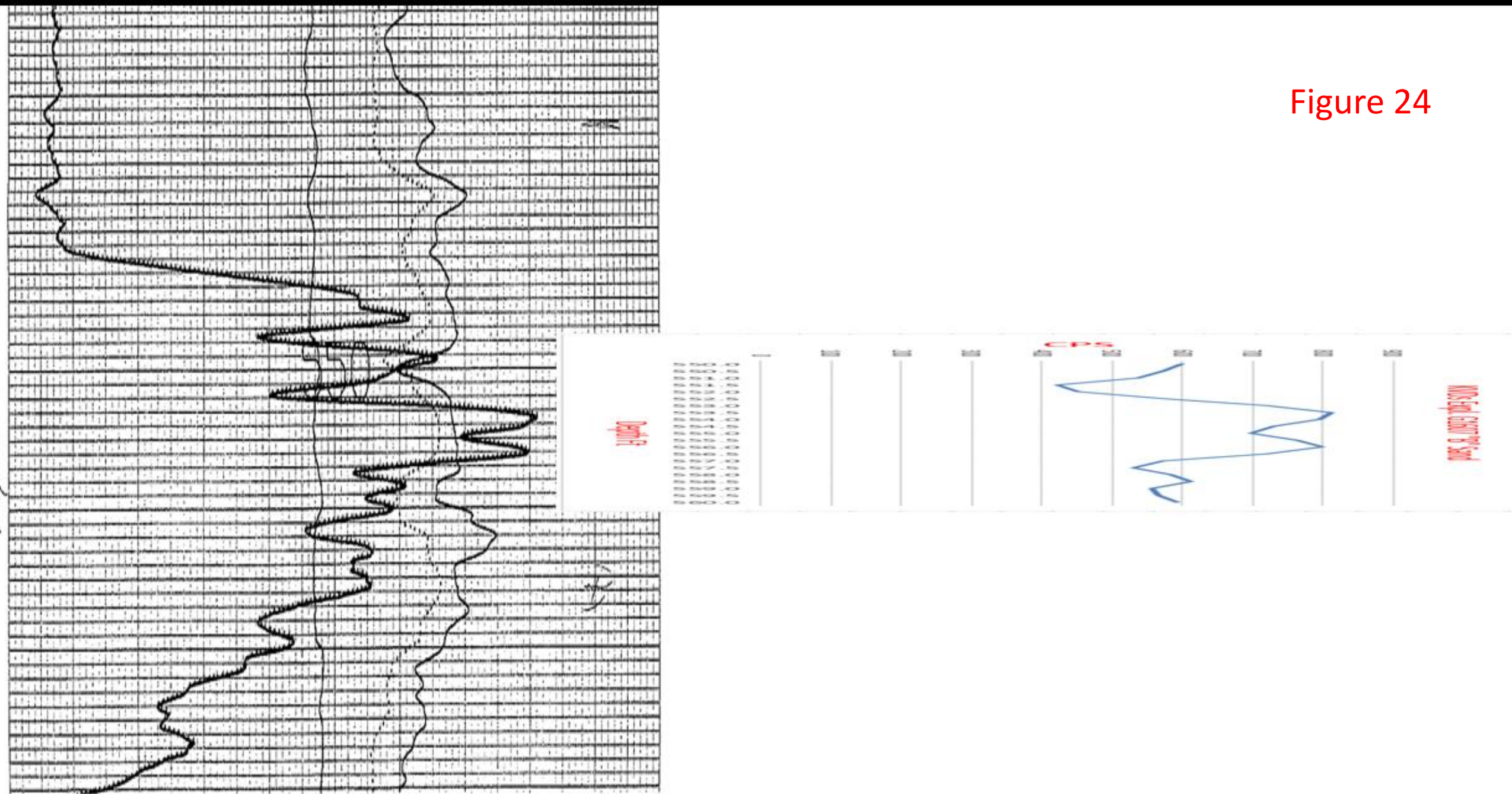


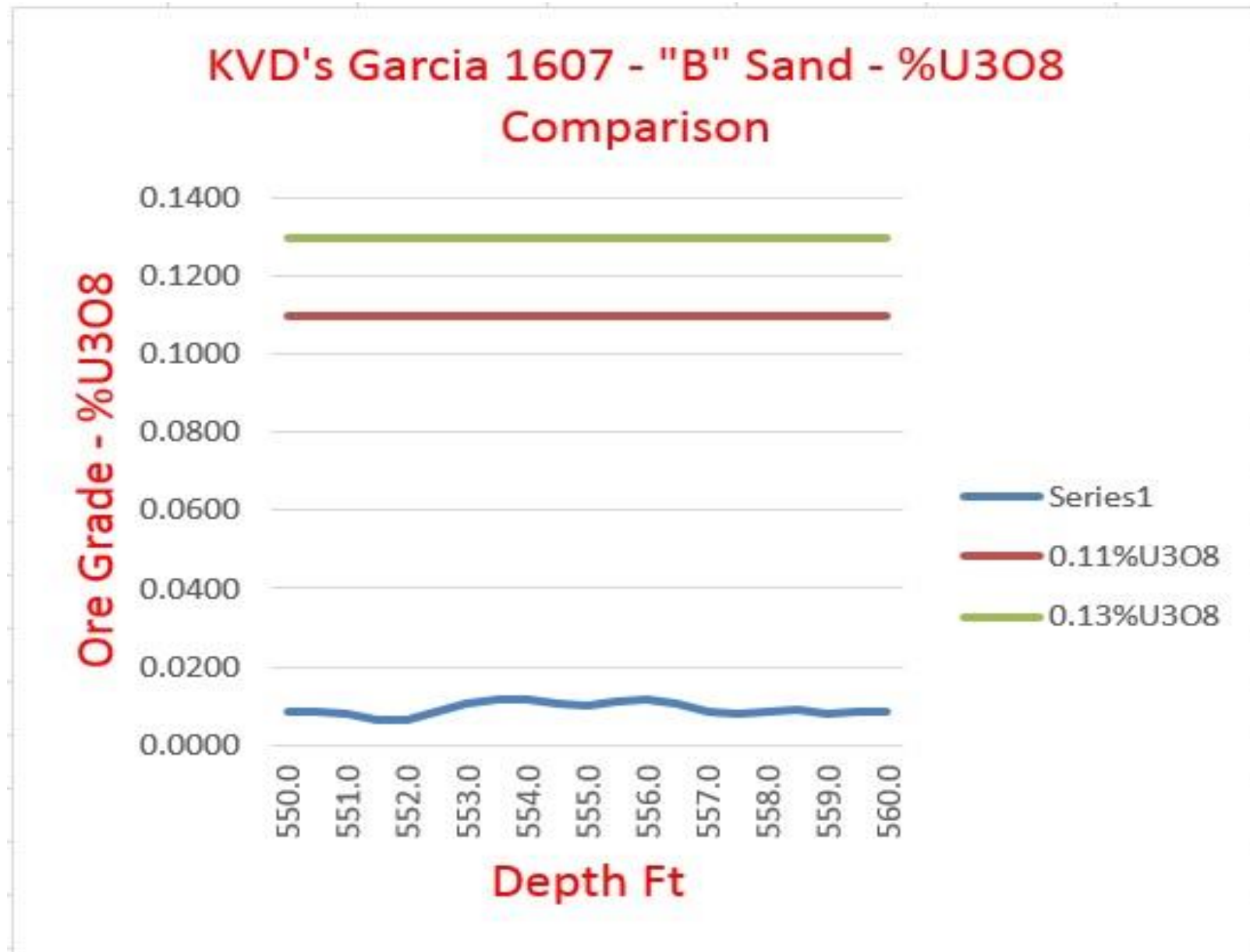
Table XIV

ORE GRADE AND GRADE-THICKNESS CALCULATION  
Background to Background Method

| KVD's Expl. Garcia 1607 |                                    |  |                               |   |                                       |                            |  |
|-------------------------|------------------------------------|--|-------------------------------|---|---------------------------------------|----------------------------|--|
| DEPTH                   | GAMMA-HI<br>CPS<br>PROBE<br>COUNTS |  | GAMMA-HI<br>CPS,<br>CORRECTED | %U3O8<br>RADIOMETRIC<br>GRADE PER<br>UNIT | HOLE<br>SIZE<br>AND<br>WATER<br>CORR. | STEEL CASING<br>CORRECTION |  |
| 550.00                  | 597                                |  | 597.58                        | 0.0074                                    | 0.0087                                | 0.0087                     |  |
| 550.50                  | 574                                |  | 573.90                        | 0.0071                                    | 0.0084                                | 0.0084                     |  |
| 551.00                  | 535                                |  | 534.89                        | 0.0066                                    | 0.0078                                | 0.0078                     |  |
| 551.50                  | 421                                |  | 420.66                        | 0.0052                                    | 0.0061                                | 0.0061                     |  |
| 552.00                  | 451                                |  | 451.30                        | 0.0056                                    | 0.0066                                | 0.0066                     |  |
| 552.50                  | 571                                |  | 571.11                        | 0.0070                                    | 0.0083                                | 0.0083                     |  |
| 553.00                  | 720                                |  | 720.19                        | 0.0089                                    | 0.0105                                | 0.0105                     |  |
| 553.50                  | 811                                |  | 810.75                        | 0.0100                                    | 0.0118                                | 0.0118                     |  |
| 554.00                  | 795                                |  | 795.42                        | 0.0098                                    | 0.0116                                | 0.0116                     |  |
| 554.50                  | 731                                |  | 731.33                        | 0.0090                                    | 0.0106                                | 0.0106                     |  |
| 555.00                  | 696                                |  | 696.50                        | 0.0086                                    | 0.0101                                | 0.0101                     |  |
| 555.50                  | 762                                |  | 761.98                        | 0.0094                                    | 0.0111                                | 0.0111                     |  |
| 556.00                  | 798                                |  | 798.21                        | 0.0098                                    | 0.0116                                | 0.0116                     |  |
| 556.50                  | 721                                |  | 721.58                        | 0.0089                                    | 0.0105                                | 0.0105                     |  |
| 557.00                  | 571                                |  | 571.11                        | 0.0070                                    | 0.0083                                | 0.0083                     |  |
| 557.50                  | 529                                |  | 529.32                        | 0.0065                                    | 0.0077                                | 0.0077                     |  |
| 558.00                  | 582                                |  | 582.26                        | 0.0072                                    | 0.0085                                | 0.0085                     |  |
| 558.50                  | 611                                |  | 611.51                        | 0.0075                                    | 0.0089                                | 0.0089                     |  |
| 559.00                  | 557                                |  | 557.18                        | 0.0069                                    | 0.0081                                | 0.0081                     |  |
| 559.50                  | 565                                |  | 565.54                        | 0.0070                                    | 0.0082                                | 0.0082                     |  |
| 560.00                  | 592                                |  | 592.01                        | 0.0073                                    | 0.0086                                | 0.0086                     |  |



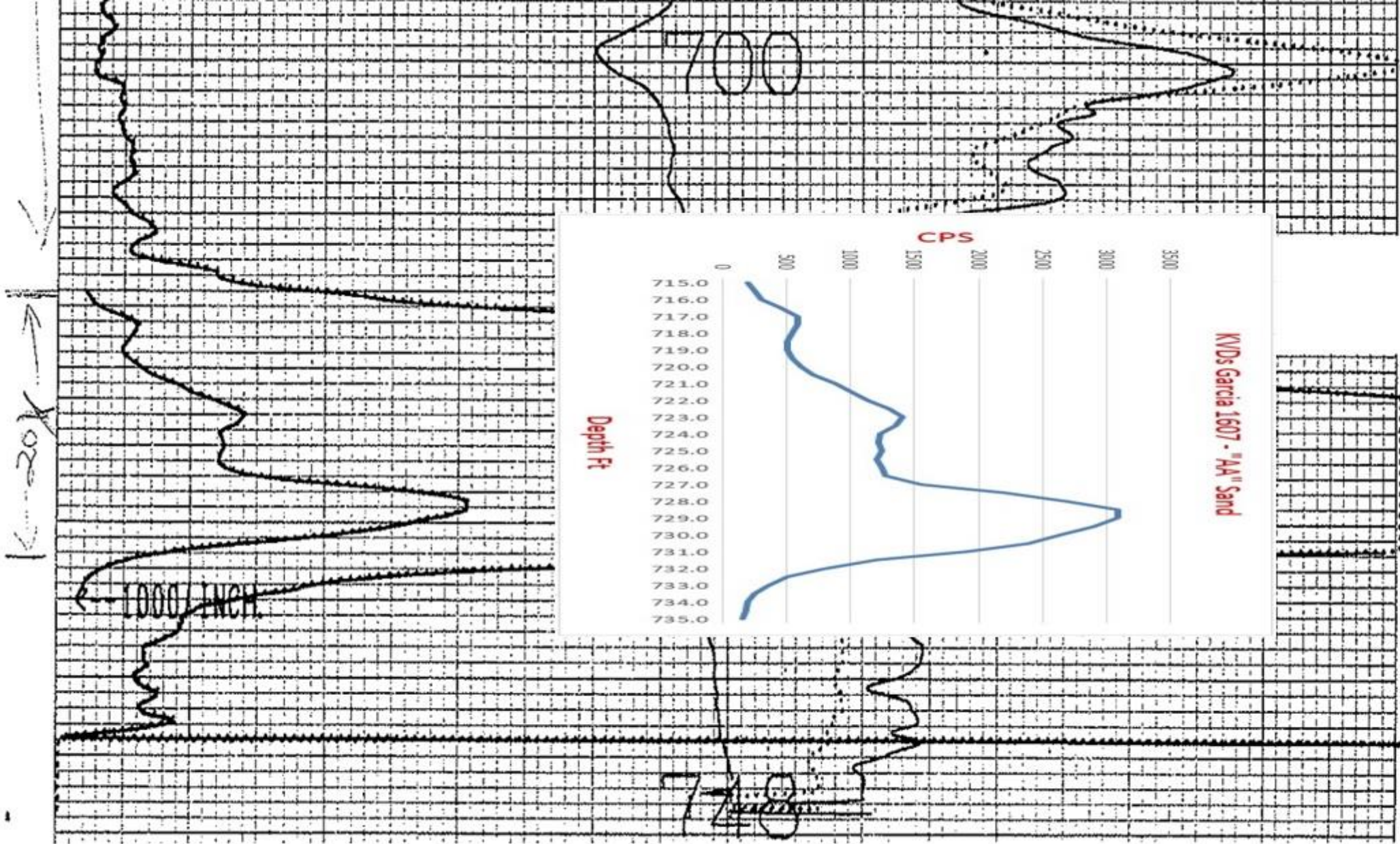
Figure 25



The Assay for KVD's Exploratory Garcia 1607, "AA" Sand, is shown in Figures 26 and 27, and in Table XV.

Figure 27 illustrates the spread between the estimated ore grade values across the "AA" Sand in the Garcia 1607 Well, and the 0.11 %U<sub>3</sub>O<sub>8</sub> and 0.13 %U<sub>3</sub>O<sub>8</sub> curves, the set cut-off values for mining.

Figure 26



KVD's Expl. Garcia 1607 - "AA" Sand - GR Recorded & Digitized Curves Comparison



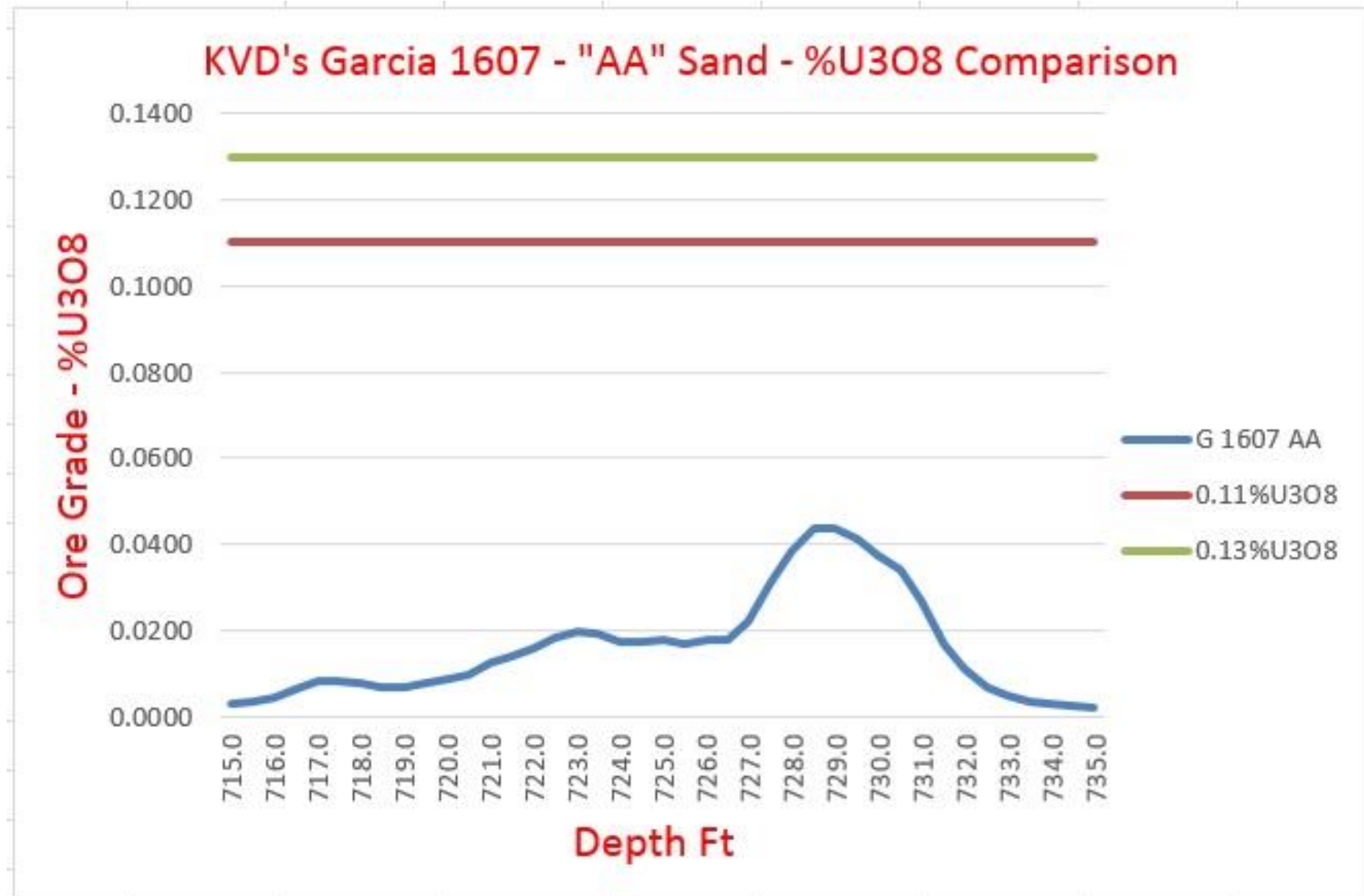
Table XV

ORE GRADE AND GRADE-THICKNESS CALCULATION  
Background to Background Method

| KVD's Garcia 1607 "AA" Sand |                                    |  |                               |   |                                       |                            |
|-----------------------------|------------------------------------|--|-------------------------------|---|---------------------------------------|----------------------------|
| DEPTH                       | GAMMA-HI<br>CPS<br>PROBE<br>COUNTS |  | GAMMA-HI<br>CPS,<br>CORRECTED | %U308<br>RADIOMETRIC<br>GRADE PER<br>UNIT | HOLE<br>SIZE<br>AND<br>WATER<br>CORR. | STEEL CASING<br>CORRECTION |
| 715.0                       | 200                                |  | 200.01                        | 0.0025                                    | 0.0028                                | 0.0028                     |
| 715.5                       | 250                                |  | 250.02                        | 0.0031                                    | 0.0035                                | 0.0035                     |
| 716.0                       | 300                                |  | 300.02                        | 0.0037                                    | 0.0043                                | 0.0043                     |
| 716.5                       | 450                                |  | 450.05                        | 0.0056                                    | 0.0064                                | 0.0064                     |
| 717.0                       | 580                                |  | 580.08                        | 0.0072                                    | 0.0082                                | 0.0082                     |
| 717.5                       | 590                                |  | 590.09                        | 0.0073                                    | 0.0084                                | 0.0084                     |
| 718.0                       | 550                                |  | 550.08                        | 0.0068                                    | 0.0078                                | 0.0078                     |
| 718.5                       | 500                                |  | 500.06                        | 0.0062                                    | 0.0071                                | 0.0071                     |
| 719.0                       | 500                                |  | 500.06                        | 0.0062                                    | 0.0071                                | 0.0071                     |
| 719.5                       | 540                                |  | 540.07                        | 0.0067                                    | 0.0077                                | 0.0077                     |
| 720.0                       | 610                                |  | 610.09                        | 0.0075                                    | 0.0086                                | 0.0086                     |
| 720.5                       | 700                                |  | 700.12                        | 0.0086                                    | 0.0099                                | 0.0099                     |
| 721.0                       | 880                                |  | 880.19                        | 0.0109                                    | 0.0125                                | 0.0125                     |
| 721.5                       | 1000                               |  | 1000.25                       | 0.0123                                    | 0.0142                                | 0.0142                     |
| 722.0                       | 1140                               |  | 1140.32                       | 0.0141                                    | 0.0162                                | 0.0162                     |
| 722.5                       | 1300                               |  | 1300.42                       | 0.0160                                    | 0.0184                                | 0.0184                     |
| 723.0                       | 1400                               |  | 1400.49                       | 0.0173                                    | 0.0199                                | 0.0199                     |
| 723.5                       | 1355                               |  | 1355.46                       | 0.0167                                    | 0.0192                                | 0.0192                     |
| 724.0                       | 1225                               |  | 1225.38                       | 0.0151                                    | 0.0174                                | 0.0174                     |
| 724.5                       | 1215                               |  | 1215.37                       | 0.0150                                    | 0.0172                                | 0.0172                     |
| 725.0                       | 1250                               |  | 1250.39                       | 0.0154                                    | 0.0177                                | 0.0177                     |
| 725.5                       | 1200                               |  | 1200.36                       | 0.0148                                    | 0.0170                                | 0.0170                     |
| 726.0                       | 1250                               |  | 1250.39                       | 0.0154                                    | 0.0177                                | 0.0177                     |
| 726.5                       | 1275                               |  | 1275.41                       | 0.0157                                    | 0.0181                                | 0.0181                     |
| 727.0                       | 1550                               |  | 1550.60                       | 0.0191                                    | 0.0220                                | 0.0220                     |
| 727.5                       | 2200                               |  | 2201.21                       | 0.0272                                    | 0.0312                                | 0.0312                     |
| 728.0                       | 2700                               |  | 2701.82                       | 0.0333                                    | 0.0383                                | 0.0383                     |
| 728.5                       | 3085                               |  | 3087.38                       | 0.0381                                    | 0.0438                                | 0.0438                     |
| 729.0                       | 3085                               |  | 3087.38                       | 0.0381                                    | 0.0438                                | 0.0438                     |
| 729.5                       | 2900                               |  | 2902.10                       | 0.0358                                    | 0.0411                                | 0.0411                     |
| 730.0                       | 2640                               |  | 2641.74                       | 0.0326                                    | 0.0374                                | 0.0374                     |
| 730.5                       | 2390                               |  | 2391.43                       | 0.0295                                    | 0.0339                                | 0.0339                     |
| 731.0                       | 1900                               |  | 1900.90                       | 0.0235                                    | 0.0269                                | 0.0269                     |
| 731.5                       | 1200                               |  | 1200.36                       | 0.0148                                    | 0.0170                                | 0.0170                     |
| 732.0                       | 800                                |  | 800.16                        | 0.0099                                    | 0.0113                                | 0.0113                     |
| 732.5                       | 500                                |  | 500.06                        | 0.0062                                    | 0.0071                                | 0.0071                     |
| 733.0                       | 350                                |  | 350.03                        | 0.0043                                    | 0.0050                                | 0.0050                     |
| 733.5                       | 250                                |  | 250.02                        | 0.0031                                    | 0.0035                                | 0.0035                     |



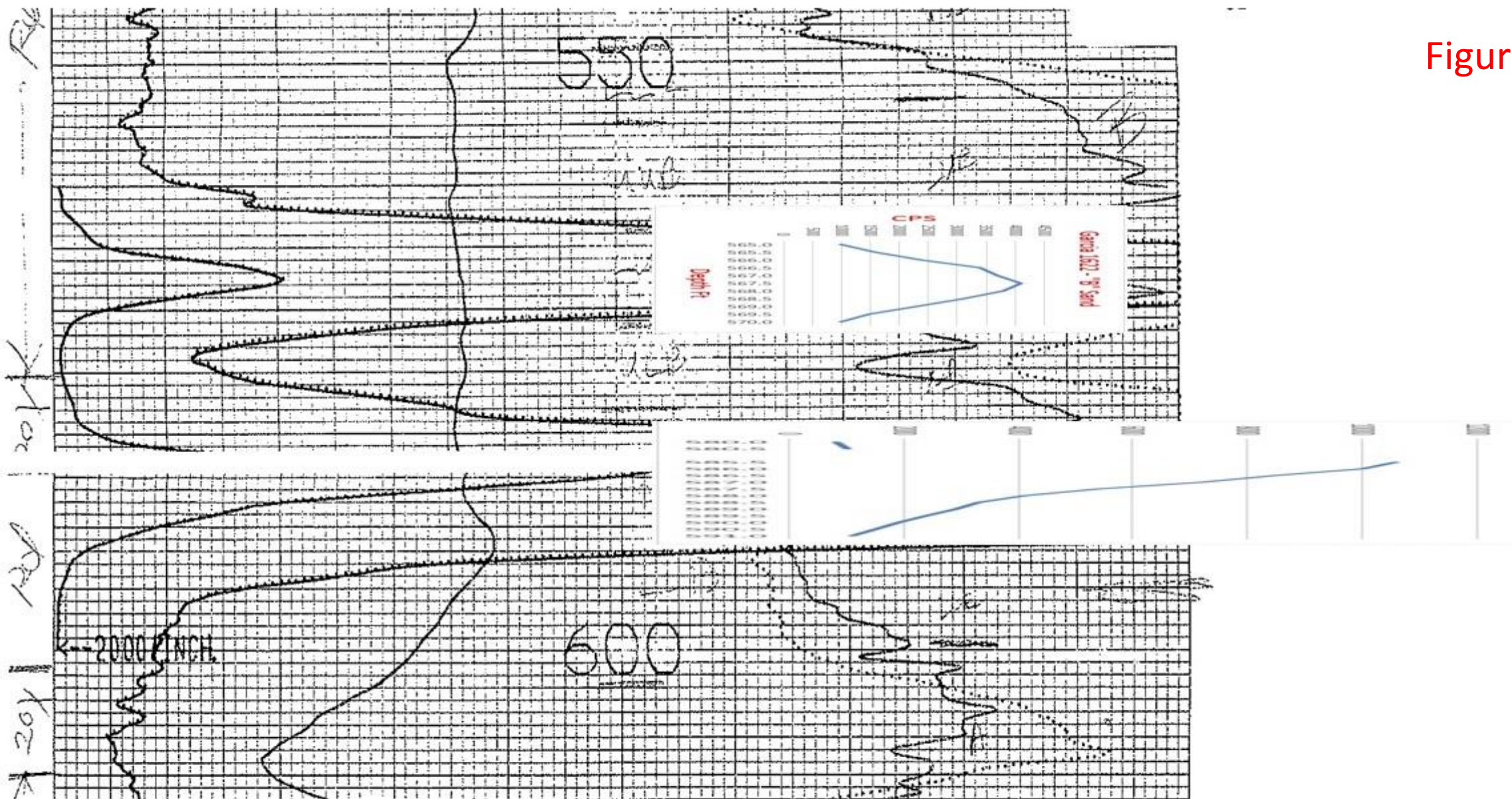
Figure 27



The Assay for KVD's Exploratory Garcia 1622, "B" Sand, is shown in Figures 28 and 29, and in Table XVI.

Figure 29 illustrates the proximity between the estimated ore grade values across the "B" Sand in the Garcia 1622 Well, and the 0.11 %U<sub>3</sub>O<sub>8</sub> and 0.13 %U<sub>3</sub>O<sub>8</sub> curves, the set cut-off values for mining.

Figure 28



KVD's Exploratory Garcia 1622 - "B" Sand - GR Recorded & Digitized Curves Comparison



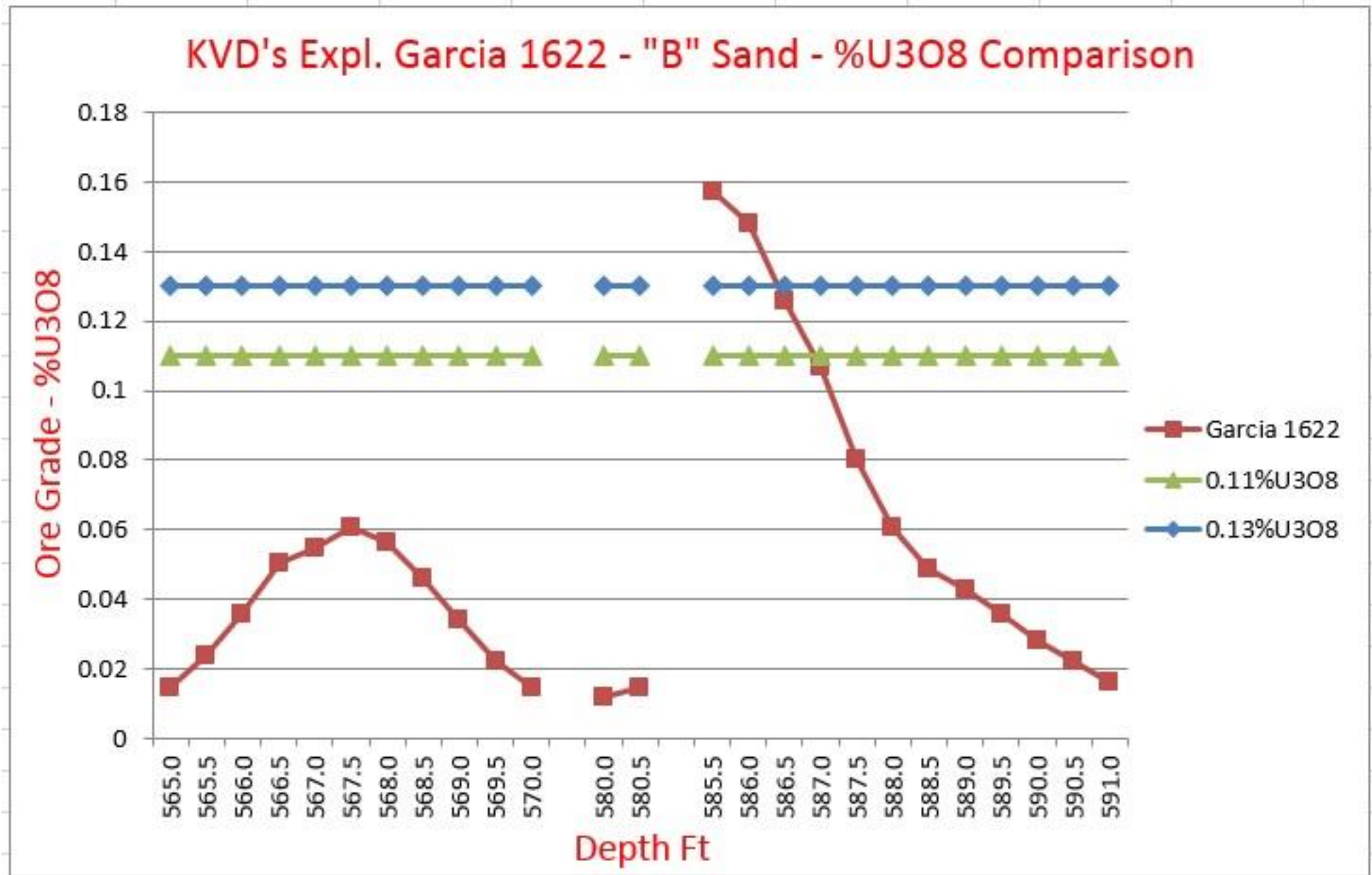
**ORE GRADE AND GRADE-THICKNESS CALCULATION**  
Background to Background Method

Table XVI

| KVDs Garcia 1622 "B" Sand |                                    |  |                               |   |  |                                    |
|---------------------------|------------------------------------|--|-------------------------------|---|--|------------------------------------|
| DEPTH                     | GAMMA-HI<br>CPS<br>PROBE<br>COUNTS |  | GAMMA-HI<br>CPS,<br>CORRECTED | %U3O8<br>RADIOMETRIC<br>GRADE PER<br>UNIT | HOLE<br>SIZE<br>AND<br>WATER<br>CORR.<br>GRADE | STEEL CASING<br>CORRECTED<br>GRADE |
| 565.00                    | 1000.00                            |  | 1000.25                       | 0.0129                                    | 0.0148   | 0.0148                             |
| 565.50                    | 1600.00                            |  | 1600.64                       | 0.0206                                    | 0.0237   | 0.0237                             |
| 566.00                    | 2400.00                            |  | 2401.44                       | 0.0309                                    | 0.0355   | 0.0355                             |
| 566.50                    | 3400.00                            |  | 3402.89                       | 0.0438                                    | 0.0503   | 0.0503                             |
| 567.00                    | 3700.00                            |  | 3703.43                       | 0.0477                                    | 0.0548   | 0.0548                             |
| 567.50                    | 4100.00                            |  | 4104.21                       | 0.0529                                    | 0.0607   | 0.0607                             |
| 568.00                    | 3800.00                            |  | 3803.61                       | 0.0490                                    | 0.0563   | 0.0563                             |
| 568.50                    | 3100.00                            |  | 3102.40                       | 0.0400                                    | 0.0459   | 0.0459                             |
| 569.00                    | 2300.00                            |  | 2301.32                       | 0.0296                                    | 0.0340   | 0.0340                             |
| 569.50                    | 1500.00                            |  | 1500.56                       | 0.0193                                    | 0.0222   | 0.0222                             |
| 570.00                    | 1000.00                            |  | 1000.25                       | 0.0129                                    | 0.0148   | 0.0148                             |
| 580.00                    | 800.00                             |  | 800.16                        | 0.0103                                    | 0.0118   | 0.0118                             |
| 580.50                    | 1000.00                            |  | 1000.25                       | 0.0129                                    | 0.0148   | 0.0148                             |
| 585.50                    | 10600.00                           |  | 10628.16                      | 0.1369                                    | 0.1572   | 0.1572                             |
| 586.00                    | 10000.00                           |  | 10025.06                      | 0.1291                                    | 0.1483   | 0.1483                             |
| 586.50                    | 8500.00                            |  | 8518.10                       | 0.1097                                    | 0.1260   | 0.1260                             |
| 587.00                    | 7200.00                            |  | 7212.98                       | 0.0929                                    | 0.1067   | 0.1067                             |
| 587.50                    | 5400.00                            |  | 5407.30                       | 0.0696                                    | 0.0800   | 0.0800                             |
| 588.00                    | 4100.00                            |  | 4104.21                       | 0.0529                                    | 0.0607   | 0.0607                             |
| 588.50                    | 3300.00                            |  | 3302.72                       | 0.0425                                    | 0.0489   | 0.0489                             |
| 589.00                    | 2900.00                            |  | 2902.10                       | 0.0374                                    | 0.0429   | 0.0429                             |
| 589.50                    | 2400.00                            |  | 2401.44                       | 0.0309                                    | 0.0355   | 0.0355                             |
| 590.00                    | 1900.00                            |  | 1900.90                       | 0.0245                                    | 0.0281   | 0.0281                             |
| 590.50                    | 1500.00                            |  | 1500.56                       | 0.0193                                    | 0.0222   | 0.0222                             |
| 591.00                    | 1100.00                            |  | 1100.30                       | 0.0142                                    | 0.0163   | 0.0163                             |



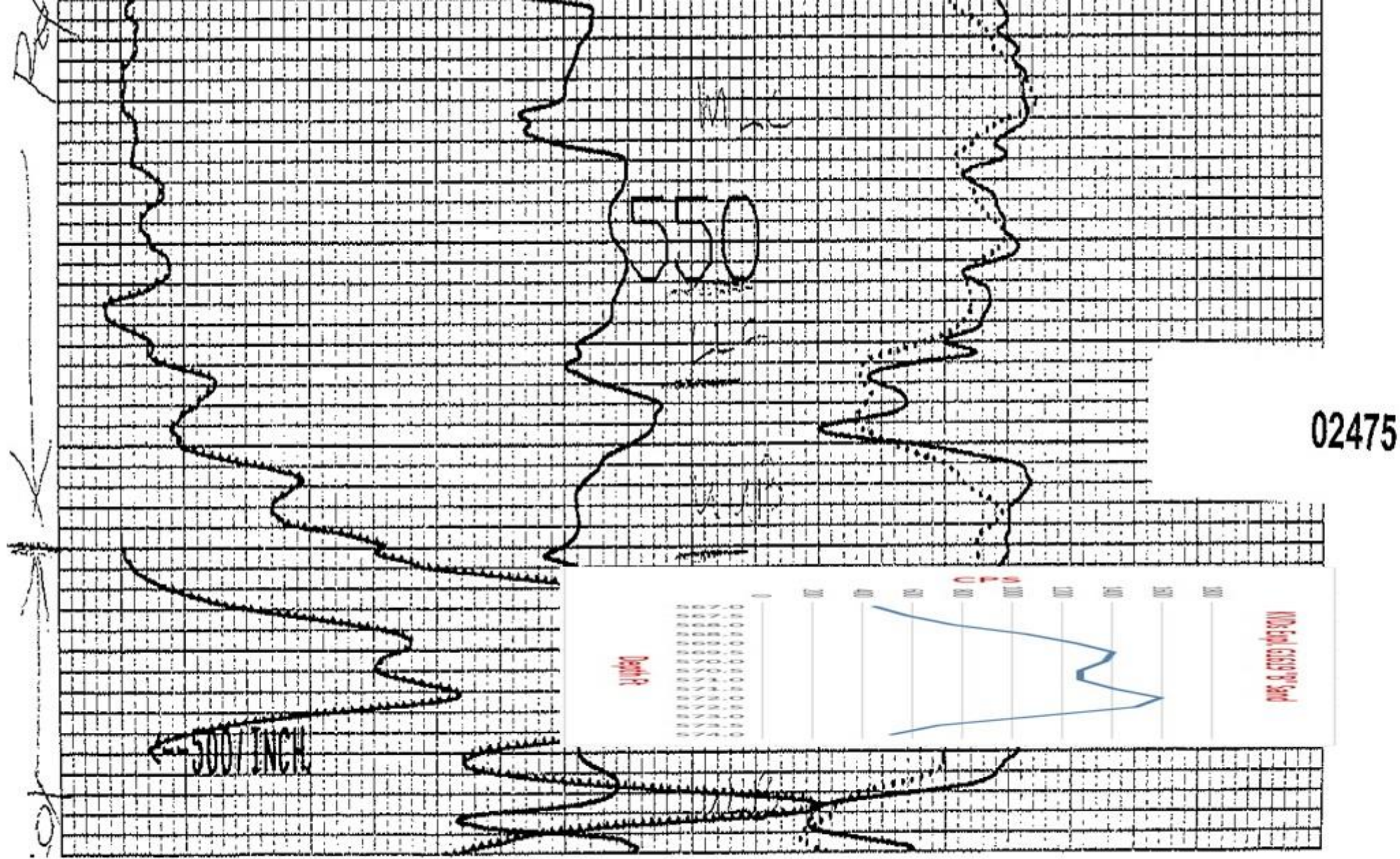
Figure 29



The Assay for KVD's Exploratory Garcia 1619, "B" Sand, is shown in Figures 30 and 31, and in Table XVII.

Figure 26 illustrates the spread between the estimated ore grade values across the "B" Sand in the Garcia 1619 Well, and the 0.11 %U<sub>3</sub>O<sub>8</sub> and 0.13 %U<sub>3</sub>O<sub>8</sub> curves, the set cut-off values for mining.

Figure 30



KVD's Exploratory Garcia 1619 – "B" Sand – GR Recorded & Digitized Curves Comparison



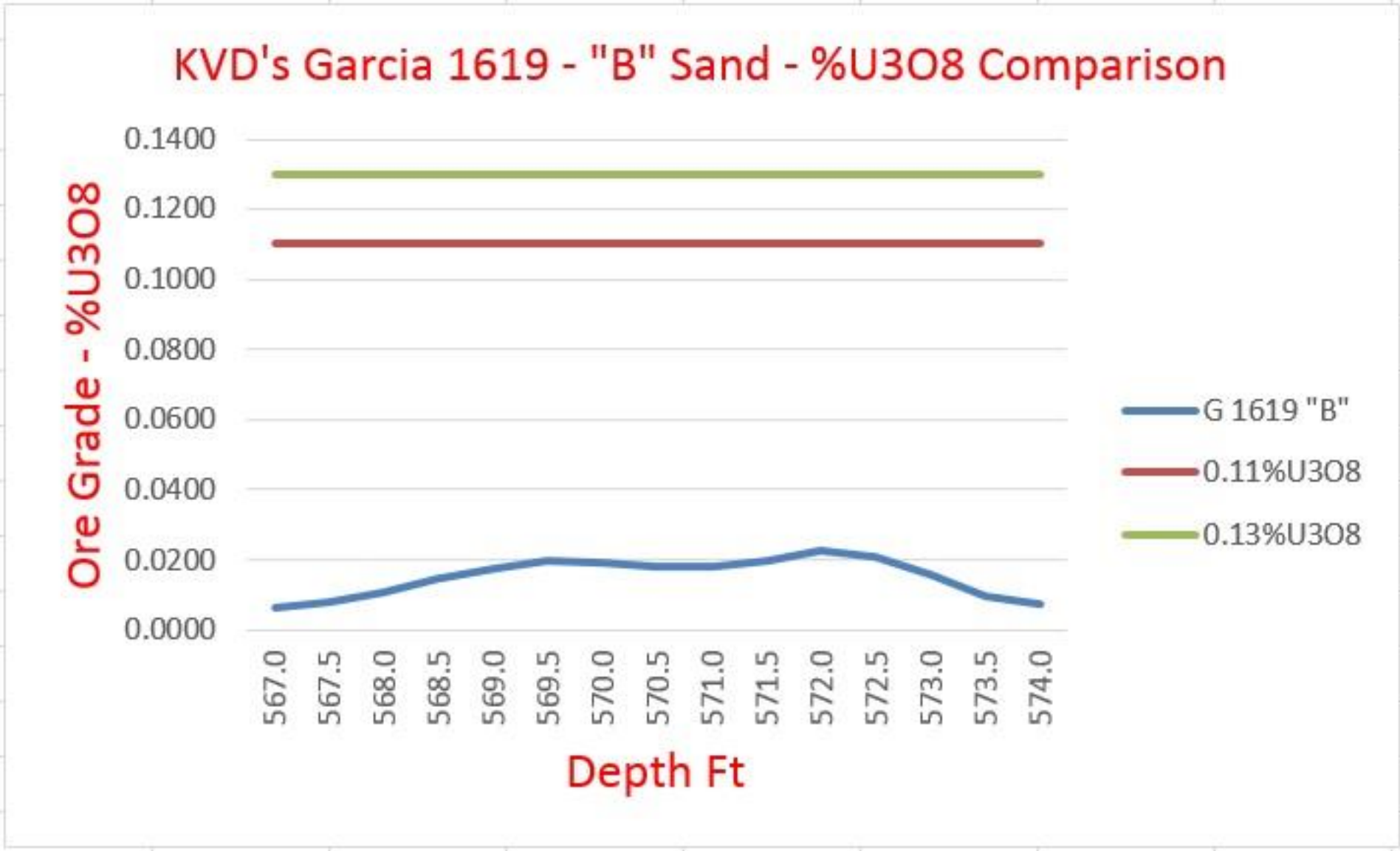
Table XVII

ORE GRADE AND GRADE-THICKNESS CALCULATION  
Background to Background Method

| KVD's Garcia 1619 "B" Sand |                                    |  |                               |   |                                       |                            |  |
|----------------------------|------------------------------------|--|-------------------------------|---|---------------------------------------|----------------------------|--|
| DEPTH                      | GAMMA-HI<br>CPS<br>PROBE<br>COUNTS |  | GAMMA-HI<br>CPS,<br>CORRECTED | %U3O8<br>RADIOMETRIC<br>GRADE PER<br>UNIT | HOLE<br>SIZE<br>AND<br>WATER<br>CORR. | STEEL CASING<br>CORRECTION |  |
| 567.00                     | 448                                |  | 448.33                        | 0.0055                                    | 0.0065                                | 0.0065                     |  |
| 567.50                     | 579                                |  | 578.63                        | 0.0071                                    | 0.0083                                | 0.0083                     |  |
| 568.00                     | 762                                |  | 762.60                        | 0.0094                                    | 0.0110                                | 0.0110                     |  |
| 568.50                     | 1054                               |  | 1053.92                       | 0.0130                                    | 0.0152                                | 0.0152                     |  |
| 569.00                     | 1253                               |  | 1253.27                       | 0.0155                                    | 0.0180                                | 0.0180                     |  |
| 569.50                     | 1402                               |  | 1402.79                       | 0.0173                                    | 0.0202                                | 0.0202                     |  |
| 570.00                     | 1368                               |  | 1368.28                       | 0.0169                                    | 0.0197                                | 0.0197                     |  |
| 570.50                     | 1272                               |  | 1272.44                       | 0.0157                                    | 0.0183                                | 0.0183                     |  |
| 571.00                     | 1268                               |  | 1268.60                       | 0.0157                                    | 0.0183                                | 0.0183                     |  |
| 571.50                     | 1410                               |  | 1410.46                       | 0.0174                                    | 0.0203                                | 0.0203                     |  |
| 572.00                     | 1590                               |  | 1590.67                       | 0.0196                                    | 0.0229                                | 0.0229                     |  |
| 572.50                     | 1490                               |  | 1490.98                       | 0.0184                                    | 0.0215                                | 0.0215                     |  |
| 573.00                     | 1100                               |  | 1099.92                       | 0.0136                                    | 0.0158                                | 0.0158                     |  |
| 573.50                     | 701                                |  | 701.27                        | 0.0087                                    | 0.0101                                | 0.0101                     |  |
| 574.00                     | 517                                |  | 517.31                        | 0.0064                                    | 0.0074                                | 0.0074                     |  |



Figure 31



The Assay for KVD's Exploratory Garcia 1619, "AA" Sand, is shown in Figures 32 and 33, and in Table XVIII.

Figure 33 illustrates the spread between the estimated ore grade values across the "AA" Sand in the Garcia 1619 Well, and the 0.11 %U<sub>3</sub>O<sub>8</sub> and 0.13 %U<sub>3</sub>O<sub>8</sub> curves, the set cut-off values for mining.

Figure 32 displays three distinct data representations, likely related to a scientific or technical analysis.

The top section shows a black and white grid plot. A wavy line is plotted across the grid. Handwritten annotations include "700" at the top center and "200" on the left side.

The middle section shows a color plot (likely a false-color image or a spectral plot). A blue line is plotted across the grid. Handwritten annotations include "02476" at the bottom center.

The bottom section shows a color plot (likely a false-color image or a spectral plot). A blue line is plotted across the grid. Handwritten annotations include "02476" at the bottom center.

KVD's Exploratory Garcia 1619 – AA Sand – GK Recorded &amp; Digitized Curves Comparison 71



Table XVIII

| KVD's Garcia 1619 "AA" Sand |                                    |  |                               |   |                                       |                            |
|-----------------------------|------------------------------------|--|-------------------------------|---|---------------------------------------|----------------------------|
| DEPTH                       | GAMMA-HI<br>CPS<br>PROBE<br>COUNTS |  | GAMMA-HI<br>CPS,<br>CORRECTED | %U3O8<br>RADIOMETRIC<br>GRADE PER<br>UNIT | HOLE<br>SIZE<br>AND<br>WATER<br>CORR. | STEEL CASING<br>CORRECTION |
| 720.0                       | 117                                |  | 117.19                        | 0.0014                                    | 0.0017                                | 0.0017                     |
| 720.5                       | 135                                |  | 135.16                        | 0.0017                                    | 0.0019                                | 0.0019                     |
| 721.0                       | 134                                |  | 134.38                        | 0.0017                                    | 0.0019                                | 0.0019                     |
| 721.5                       | 134                                |  | 133.60                        | 0.0016                                    | 0.0019                                | 0.0019                     |
| 722.0                       | 148                                |  | 148.44                        | 0.0018                                    | 0.0021                                | 0.0021                     |
| 722.5                       | 227                                |  | 226.58                        | 0.0028                                    | 0.0033                                | 0.0033                     |
| 723.0                       | 278                                |  | 278.14                        | 0.0034                                    | 0.0040                                | 0.0040                     |
| 723.5                       | 291                                |  | 291.43                        | 0.0036                                    | 0.0042                                | 0.0042                     |
| 724.0                       | 348                                |  | 347.69                        | 0.0043                                    | 0.0050                                | 0.0050                     |
| 724.5                       | 422                                |  | 421.92                        | 0.0052                                    | 0.0061                                | 0.0061                     |
| 725.0                       | 448                                |  | 448.49                        | 0.0055                                    | 0.0065                                | 0.0065                     |
| 725.5                       | 470                                |  | 470.37                        | 0.0058                                    | 0.0068                                | 0.0068                     |
| 726.0                       | 493                                |  | 493.03                        | 0.0061                                    | 0.0071                                | 0.0071                     |
| 726.5                       | 490                                |  | 489.90                        | 0.0060                                    | 0.0071                                | 0.0071                     |
| 727.0                       | 478                                |  | 478.18                        | 0.0059                                    | 0.0069                                | 0.0069                     |
| 727.5                       | 421                                |  | 421.14                        | 0.0052                                    | 0.0061                                | 0.0061                     |
| 728.0                       | 361                                |  | 360.97                        | 0.0045                                    | 0.0052                                | 0.0052                     |
| 728.5                       | 327                                |  | 327.37                        | 0.0040                                    | 0.0047                                | 0.0047                     |
| 729.0                       | 336                                |  | 335.97                        | 0.0041                                    | 0.0048                                | 0.0048                     |
| 729.5                       | 323                                |  | 322.68                        | 0.0040                                    | 0.0046                                | 0.0046                     |
| 730.0                       | 277                                |  | 276.58                        | 0.0034                                    | 0.0040                                | 0.0040                     |



Figure 33

